

NEWS SU
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offers
peace
force

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down 8.2,
Gilts
weaker

British Airways
cuts Europe fares
by up to 40%

UK bid
to avert
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isolation

Gas vote and
trade figures
cheer Carter

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BOXX, Sept. 27.

would give it a 30 per cent share. However, the agreement was made subject to the approval of the French and West German Governments.

The State airline cancelled more than 80 flights from its

Spanish Parliament today and expressed his country's support for Spain's admission to the European Economic Community. AP reports from Madrid.

party voted with the opposition which was against use of the neutron bomb.

land. He referred to an earlier report in Hervormd Nederland that the U.S. was able to convert conventional nuclear missiles to neutron weapons in the field.

BY WILLIAM DULFORD

UK crude production, Page 10

BY LYNTON McLAIN

The State airline cancelled more than 80 flights from its

By Robert Graham

Spanish Parliament today and expressed his country's support for Spain's admission to the European Economic Community. AP reports from Madrid.

BY CHARLES BATCHELOR

Holland has refused to take a position on the bomb—which

BY ROBERT MAUTHNER

The State airline cancelled more than 80 flights from its

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September 22, 1978

All these bonds having been sold, this announcement appears as a matter of record only.

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Irish steel plan believed under EEC discussion

BY STEWART DALBY

DUBLIN, Sept. 27.

IN AN unexpected move the EEC Commission is thought to be considering a plan which could allow the state-owned Irish Steel holding company to go ahead with a £40m development project which might save 700 jobs at the company's Cork plant.

The agreement involves a "switch plan" with a French concern Société Métallurgie de Normandie (SMN) under which the French company will sell products of Irish Steel in France and other EEC countries, while Irish Steel will market SMN products in Ireland.

The idea is that the swapped

products will be non-complementary steel items. In this way the rationalisation plan to limit further increases in European steel output so strongly advocated by Viscount Elinor Davignon, the EEC Steel Commissioner, will not be compromised.

Should the Commission agree in principle for the plan to go ahead all that would be needed would be for the companies to finalise terms.

The tentative idea is that Irish Steel's plant will boost its output to 120,000 tonnes.

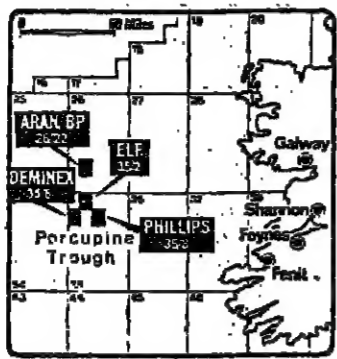
The scheme goes a long way towards fulfilling the target for an increase in output of 130,000

Dublin plans more oil exploration

BY BRUCE ANDREWS

ACTIVE DISCUSSIONS are taking place between the Irish Government and major oil companies over the issue of further exclusive oil exploration licences in designated areas of the Irish continental shelf, according to Mr. Desmond O'Malley, Ireland's Minister for Industry, Commerce and Energy. An announcement on licensing may be made by the Government within the next two months.

Mr. O'Malley's statement comes at a time when the Irish offshore drilling season is drawing to a close. With 15 wells drilled it has been Ireland's most active drilling year with the biggest exploration programme off western Europe in 1978.



But results so far have been disappointing. Of 11 wells completed to date, none has shown significant indications of oil or gas although several have shown non-commercial traces of oil. Hopes rest on four wells yet to be completed in the Porcupine Trough, in the Atlantic over 100 miles off Ireland's west coast.

One of these wells, drilled by Deminor Ireland on block 35/5, is not expected to be completed until the end of October. But announcements on the other three—the Aran/BP group on block 28/23, Elf Aquitaine on block 35/2 and the Phillips Petroleum on block 35/8 will probably be made this month.

Minor oil finds are expected to be reported from the Elf

first time in the Porcupine area—analysts expect the announcement of an oil discovery which will merit further appraisal drilling.

A major oil discovery in Irish waters would mean that the Government's energy proposals would have to be "radically re-written," said Mr. O'Malley.

A discussion document on energy published by the Irish Government in July notes that the country is "energy-deficient" with a near 75 per cent dependence on imported oil which leaves us dangerously exposed in the event of any disruption to oil supplies, but says it would be premature to assume

that energy problems would be solved by an oil find.

Yet Ireland's entire present oil requirements could be met by a field producing 100,000 barrels a day, a small field by North Sea standards. Though the hazardous weather and deep water in the Porcupine area would mean that exploitation of a discovery there would inevitably be expensive and technically difficult.

Hence the need to maintain the exploration momentum next year. Proposals have been made for a nuclear power station in Ireland which have caused considerable controversy.

"These proposals do not pass the point of no return for 18 months or so," said Mr. O'Malley. "That would give us one and perhaps part of another drilling season."

He acknowledged that the current negotiations for new licences were to some extent inspired on the Government side by the desire to see drilling activity maintained. "But I don't want to give the impression that we would weaken our position to get more exploration. We'd like to maintain the same basic terms."

Nevertheless, Mr. O'Malley emphasised, the Government would want to encourage production in the event of an oil find and might be prepared to modify its licence terms to encourage the exploitation of a marginal field. "We might, paradoxically, see a situation where we had a vested interest in a high oil price," he added.

BRAZILIANS—of whom there are now between 110m and 113m—will get a new head of state, a new government, and new political parties next year. Most of them will still be struggling with an annual rate of inflation of around 40 per cent, but at least they will see an end to the arbitrary presidential powers that have been wielded for the past 10 years under a series of special laws. They will also enjoy an increasingly outspoken Press, which, since its release from censorship, has even begun crusading.

The new President, who is almost certain to be General Jaon Bantista Figueiredo, is of a very different mould from his predecessor, General Ernesto Geisel. The stern, Germanic, often-paternalistic Geisel—who, it must be said, sponsored and pushed through the political reforms from which Brazilians will soon benefit—contrasts with Figueiredo's plain-spoken, back-slapping gregariousness. Nevertheless, the new head of state is still a military man, dedicated to pursuing the revolution begun with the military coup of 1964.

Brazil's major Government ministries are run by civilians, products of the world of banking and industry, who, in several cases, enjoy far more autonomy than a British Cabinet Minister or a member of the U.S. Administration. The Palace of Planalto, the presidential seat in Brasilia, nevertheless imposes from above when it feels the need. To what extent General Figueiredo will do this will depend on his eagerness to control as many facts of Government as possible, and on the ambitions and determination of his future close advisers.

President Geisel's advisers have wielded extensive powers—and the majority are military men. Because General Figueiredo has already shown a taste for getting out and about in civilian life there are expectations that his administration might be more open to consultation than his predecessors.

What the new rulers will face is a large country, of more than 8.5m sq km, where there is an almost visible frontier between the highly developed south and the backward north; between the high earners and the impoverished and between widespread calls for more equitable distribution of income and those for perpetuation of elitist privileges.

THE BRAZILIAN ECONOMY

A nation on a looser rein



FIGUEIREDO: 'plain spoken, back-slapping and gregarious'

Sixty-one per cent of Brazilians now live in urban areas. More than 50 per cent are under 20, and 37 per cent are gainfully employed—if "gainfully" accurately describes the 37.4 per cent who last year earned less than twice the national minimum wage, then 540 and now 582 a month.

Thirty per cent of Brazilians over the age of five are illiterate, only 46.8 per cent (according to 1978 statistics) have piped water in their homes, 24 per cent still cook by wood fires, and 5 per cent have no domestic cooking facilities at all. 31.3 per cent have no drains, and 40 per cent have no electricity.

According to the Rio de Janeiro Institute of Economics, the gap between Brazil's richest 5 per cent and poorest 20 per cent is widening.

The 1977 per capita income of \$1,440 (compared with \$2,535 in Venezuela), and its 5.5 per cent makes the cost about Cr 225 compared with 1976, mask the fact that the income of the richest 5 per cent rose by 133.7 per cent from 1970 to 1976.

while that of the poorest 20 per cent rose by only 50 per cent. With annual inflation remaining around 40 per cent, the less affluent counterparts, strains on lower wage-earners' twice-yearly pay adjustments have been recognised by the Government. There is evidence that the rigid formulae for these adjustments have led to a drop, not a rise, in real wages in the past two years. The Government's minimum-wage policy is based on official calculations of the monthly cost of "minimum" housing, clothing, hygiene and transport.

The "minimum rations" were first established in 1938, for a family of four people. They comprise: 6 kg of meat, 6.5 litres of milk, 4.5 kg of beans, 1.5 kg of flour, 8 kg of bananas, 8 kg of tomatoes, 6 kg of bread, 3 kg of sugar and 650 grammes of butter.

Today in Rio de Janeiro this package costs Cr 780 (\$41.37) a month—officially, at least. But according to independent statistics, the cost is closer to Cr 1,704 (\$80.39), which is more than the national minimum monthly wage of Cr 1,560 (\$82.75)—and this is for food alone.

According to official statistics a Rio de Janeiro rent for a minimum wage-earner and his family would be Cr 380 (\$20.68) a month. However, according to the national daily newspaper Jornal do Brasil such a figure is totally unrealistic, especially in Rio, where a small house on the city's fringes costs at least Cr 500 (\$26.52) a month and a one-bedroom apartment closer to the city centre costs at least double that—and with no bathroom. A two or three-bedroom home would cost at least Cr 3,500 (\$185) a month, putting it out of reach of the minimum wage-earner.

Savings on rent gained by living further out of town are wiped out by high transport costs, which, according to the Getulio Vargas Economic Foundation, have risen 43 per cent in one year in Rio de Janeiro. This public has been coaxed to put its money into savings banks, building societies or other forms of mass savings.

As a point of comparison, it might be said that Rio's higher wage-earners are proportionately as crippled by rents as are their counterparts. Generally, rents have risen by 33 per cent a year in the city, and today one-room studio flats with bathroom and kitchenette are impossible to find for less than \$370 a month.

Meanwhile, flats which describe themselves as "luxury" but are generally jerry-built rows of box-like dwellings in a reasonably safe area, can cost anything from \$1,000 to \$2,000 a month, or \$50,000 or more to buy.

To these sums must be added rates, electricity, water, gas and telephone bills and porters' fees, all of which rise constantly. Offsetting the low wages to some extent are social security benefits of fairly recent introduction. The Geisel Government, in particular, has increased in size and number the range of family allowances, subsidised medical treatment and other benefits, as well as pushing through a disease-prevention campaign, with child and adult vaccination or inoculation, mosquito control in urban and rural areas, and the speedier installation of piped water and drainage. These are noticeably improving health standards.

The dilemma, however, is more equitably distributed—on the premise that the highest earners are naturally the best savers and that, through taxation, part of their wealth flows into the public coffers.

In practice, however, the high earners have turned into high spenders, eschewing their savings banks while buying cars, property, and durable consumer goods.

The transition from authoritarianism and paternalism in Brazil will not be easy or swift, but it is more difficult to diet to 110m or 130m people than in 60m or 70m, especially when the majority is young.

Many observers here feel that if the Brazilian regime has sought to "open up," it is because national circumstances and the national mood make it inadvisable to attempt to continue autocratic control.



GEISEL: 'stern, paternalistic, but pushed reform'

senior technocrats and military economic strategists that the first priority must be to enlarge the size of the national cake, and that only then can income be more equitably distributed—on the premise that the highest earners are naturally the best savers and that, through taxation, part of their wealth flows into the public coffers.

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The battery electric fork lift truck at the end of this cable is rugged, tough, reliable and durable.

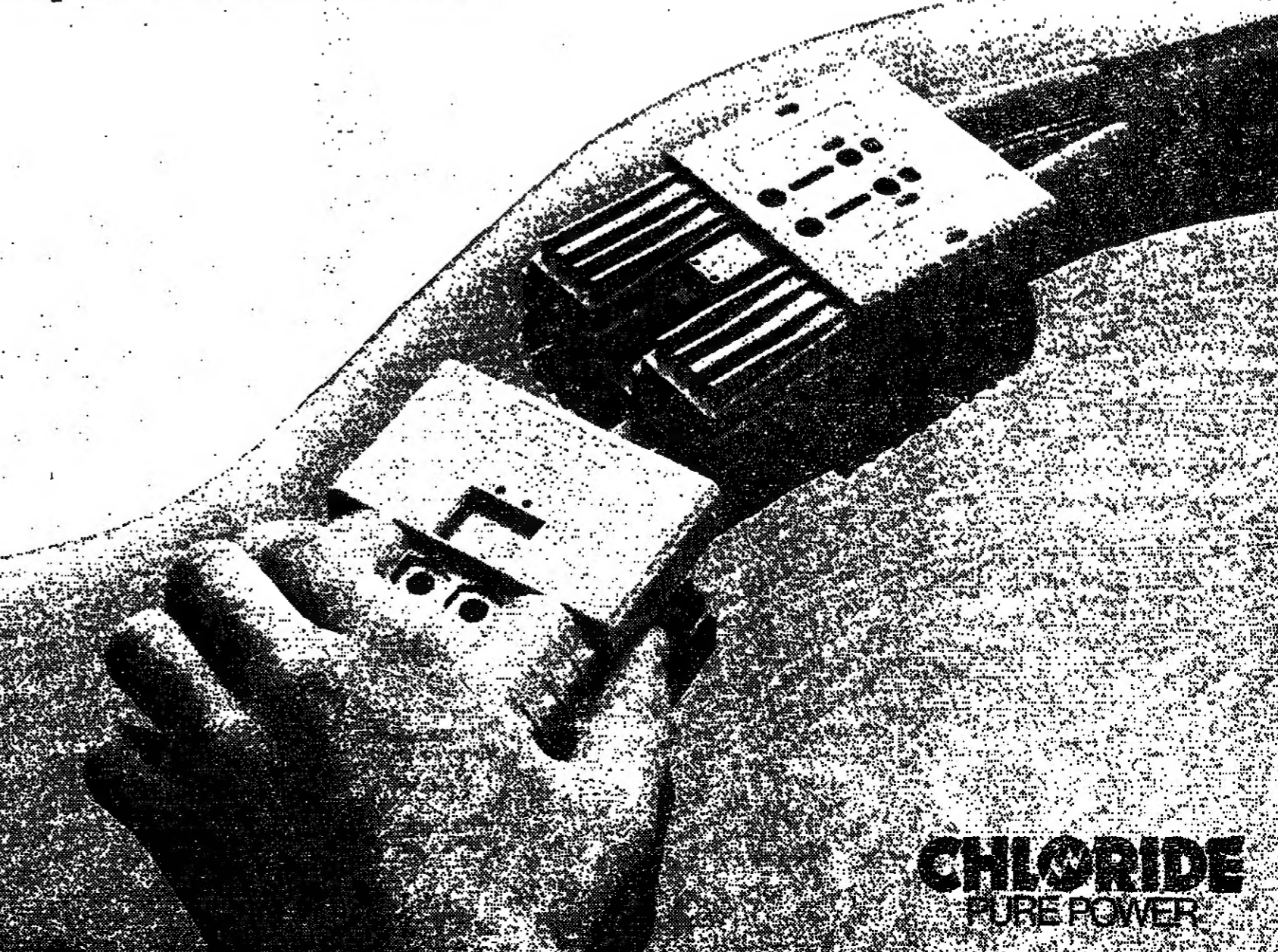
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Battery electric trucks cost more to buy; but when you're next ordering a truck there's a couple of other things you should take into account. In the long run, lower fuel costs and less maintenance make electrics cheaper to run. And even after a long run, they have a high trade-in value.

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CHLORIDE
PURE POWER

Refineria Dominicana de Petroleo, S.A.

request for offers for the supply of refinery feedstock (reconstituted crude).

In accordance with the terms and conditions of the Refinery Agreement dated November 7, 1969, between the Government of the Dominican Republic and Shell International Petroleum Company, Ltd., Refineria Dominicana de Petroleo, S.A. is seeking offers from 'bona fide' suppliers for the following volumes of reconstituted crude oil, to be delivered in liftings of not less than 500,000 and not higher than 530,000 barrels each, to the refinery's single buoy mooring at Nizao, Provincia Peravia, Dominican Republic, at C and F prices.

January/December 1979	11,000,000 barrels
January/December 1980	11,000,000 barrels

All quantities to be plus or minus 10 per cent at buyer's option. Supply contract would be firm for two years from January 1st, 1979, subject to renegotiation for subsequent two-year periods.

In connection with this proposed supply, a 'bona fide' supplier must:

- Own a source of crude oil from which it can produce a suitable refinery feedstock as required by the refinery.
- Own a refinery with facilities capable of producing, supplying and blending the components necessary to provide the flexibility of refinery feedstock quality required by the refinery. Offers can be made directly by 'bona fide' suppliers or placed through recognised brokers of sound repute, duly authorized by the 'bona fide' suppliers, who must be willing to post guarantees. The supplier should accept the conditions prescribed in Articles 12 (B) and 15 of the Refinery Agreement (Official Gazette No. 9172, Resolution No. 533).

Interested parties requiring further information regarding the terms and conditions governing the proposed supply of refinery feedstock should apply to the address given below before October 9th, 1978.

Requests for offers should be in this office not later than October 30th, 1978, in sealed envelopes, with the following inscription:

Supply of Feedstock, Virgilio Alvarez Renta,
President of Board of Directors,
Refineria Dominicana de Petroleo, S.A., P.O. Box 1439,
Santo Domingo, Dominican Republic.

The additional information as well as the requests for offers must be accompanied by a certified cheque for RD Pesos 1,000, or its equivalent in convertible currency, payable to Refineria Dominicana de Petroleo, S.A.

More Danish jobless

Unemployment in Denmark rose in August to 174,800, 8.1 per cent of the total labour force, the Danish Bureau of Statistics announced yesterday. AP reports. This compared with 7.9 per cent in July and 7.3 per cent in August last year.

Bakers on strike

About 3,000 workers in large bakeries throughout Portugal went on strike yesterday in support of demands for a new wage agreement. Reuters reports from Lisbon. The strike caused a rush on small bakeries.

Plant for Abu Dhabi

Udde of Dortmund, West Germany, has been awarded a contract by the Abu Dhabi National Oil Company for an alkaline chloride electrolysis plant to be located on the Gulf.

AMERICAN NEWS

Marshall sets deadline for rail strike solution

BY STEWART FLEMING

NEW YORK, Sept. 27.

AMID growing fears that a clerks' strike could bring the U.S. railway system to a halt, the Carter Administration entered the dispute today.

Mr. Ray Marshall, U.S. Labour Secretary, announced that the Administration was giving the Norfolk and Western Railway and the Brotherhood of Railway and Airline Clerks (BRAC) 24 hours, until noon tomorrow, to resolve the strike.

"If this deadline passes without an agreement both sides can expect with certainty that the Administration will take further action," he said.

The dispute between the Norfolk and Western, a major railway with operations in 16 States, and the union has been simmering for two years, with the union demanding job protection against automation of clerical functions.

For the past two months, the clerks have been on strike and the railway has been operating with only supervisory personnel.

In recent weeks, however, BRAC, claiming that the N and W has not been negotiating in good faith, has been sending

pickets to other railways which intersect with the N and W. Yesterday, the impact of picketing grew dramatically. According to the American Association of Railroads, about 80 per cent of the nation's rail power plants are in places as far apart as Washington and Chicago having difficulty getting to work.

A major concern, however, is the impact such a strike could have on the industry and food supplies throughout the U.S. in a matter of days.

General Motors and Ford, the two biggest car makers, said today that they are already trimming production schedules at plants where parts are in short supply.

The overall situation is complicated by moves by other independent railways including Union Pacific and Burlington Northern, two of the largest, to get court injunctions against the pickets.

There were some indications early today that these moves, coupled with the Labour Secre-

tary's intervention were having an impact in easing the picketing which in turn will allow railways hit by the sympathy action to resume.

Pickets were being pulled down at the Burlington Northern this morning, as also at the Chicago and North Western Railroad and the Chicago, Milwaukee, St. Paul and Pacific Railroad.

Mr. Marshall has appointed Mr. James Reynolds as a mediator in the dispute and must now be hoping that the Administration's intervention will lead to a quick settlement.

If no such uncertainty exists about what action the Administration can take under the special regulations which apply to railway and airline disputes.

The two industries are exempted from the Taft-Hartley Labour Law which provides for 80-day cooling off periods in disputes creating a national emergency.

Instead, a separate procedure exists under the National Mediation Board, but it is unclear how it would be applied to this dispute.

OVERSEAS NEWS

Iranian oil industry workers on strike

By Andrew Whitely

TEHRAN, Sept. 27.

SERIOUS industrial troubles are affecting Iran's oil producing areas, in the south-western province of Khuzestan where a strike by several thousand workers is now in its fourth day.

While the dispute is unlikely to have an immediate impact on production, officials say that maintenance, new exploration and development work will suffer, with consequences that may not be seen for months, if not years.

Unofficial estimates suggest that a total of over 10,000 workers in the oil industry and related fields in Khuzestan are presently either on strike or taking some form of industrial action.

Strikes are technically illegal in Iran. In the case of the oil industry, the Oil Services Company of Iran, the men have been running up but then refusing to work. OSCO is the largest production unit of the 14-member Western consortium, led by BP, which produces and exports most of Iran's oil.

In a statement today, the National Oil Company (NIOC), which is in overall charge of operations, said that the management is considering the strikers' demands, many of which were "reasonable," and could be met.

Details have not been disclosed, but they are known to include a substantial pay rise and improved fringe benefits, such as housing allowances.

NIOC's chairman, Mr. Hosseini Ansari, and two of his aides were involved in a meeting late yesterday, in an attempt to settle the potentially serious dispute.

According to NIOC, only a limited number of OSCO employees are involved. Independent sources dispute this claim, saying that labour unrest in Khuzestan is longstanding, having for some months plagued companies under contract to OSCO, especially in drilling work.

Nearly 8,000 daily paid workers are employed in the oil industry, where most of Iran's oilfields are located. It is claimed that the 4,000 staff employees are prepared to support the strike from next Tuesday if the demands are not met.

Labour unrest of this sort is a new phenomenon in the area. A more familiar problem in recent years has been the high turnover of employees, because of the better wages on offer in the private sector.

The industry is largely automated and could, if necessary, be run for some time by a skeleton management staff, in the opinion of oil experts.

No political motives are evident, though if the strike were to persist it would clearly have serious economic, and therefore political, consequences. "Before they get to that point the strikers will be ordered back to work at bayonet point," one source commented today.

Reuter added: All political prisoners in Tehran's main jail have gone on hunger strike against martial law, according to a spokesman for the Committee for the Defence of Human Rights, a prominent dissident group. He said in Tehran that the prisoners had started the indefinite strike last Sunday. Confirmation was not available from officials, and it was not known how many prisoners were involved.

Meanwhile, Moslem clergy from north-west Iran today protested against the reported Iranian Ayatollah (spiritual leader). Mr. Ruhollah Khomeini.

S. African GNP growth unlikely to top 2%

BY QUENTIN PEEL

JOHANNESBURG, Sept. 27.

GROWTH OF real gross domestic product in South Africa this year is unlikely to exceed two per cent, and further economic stimulation may be necessary, according to the Prime Minister's influential Economic Advisory Council (EAC).

Such a low growth rate could mean a further deterioration in unemployment, and a further increase in foreign and domestic sources. "If growth were accelerated," foreign investors would in due course increasingly consider direct long-term investment in South Africa despite the political risk as they see it," it says.

The council's call was backed today by the executive council of the Federated Chamber of Industries (FCI), meeting in Durban, while a number of prominent businessmen warned of the dangers of a lagging growth rate. A report by the FCI's economic affairs committee said

manufacturing industry had been "showing signs of stress" in recent years.

There were growing pressures on industry, including the increasing isolation of South Africa, for greater self-reliance. More incentives were needed to cope with such pressures, as well as continuing encouragement for foreign investment.

However, the demands of industry are unlikely to win an immediate response from the government. Mr. Chris Heunis, the Minister of Economic Affairs, warned here today that South Africa would have to learn to rely less on foreign investment.

There had been an increasing tendency to rely on foreign capital, particularly for the heavy infrastructure investment in the early 1970s, he said. "These are tendencies which we would in our national interest have to arrest and even reverse."

Measures which have been proposed for possible early stimulation of the economy include final abolition of import surcharges, which were reduced in the budget from 15 to 12½ per cent. The EAC suggests that the Government should consider some selective tax cuts, and might also consider Government expenditure. "If this should merely amount to speeding up projects that had already been accorded high priority,"

P. W. Botha leads contest

BY QUENTIN PEEL

JOHANNESBURG, Sept. 27.

MR. P. W. BOTHA, the Minister of Defence, was emerging today as the man most likely to win a close contest to succeed Mr. John Vorster as Prime Minister.

In spite of intensive efforts to persuade either or both of the other two candidates—Dr. Connie Mulder, the Minister of Plural Relations, and Mr. P. K. Botha, the Foreign Minister—to withdraw, a contested vote at the tomorrow's meeting of the National Party's executive committee in Cape Town now appears inevitable.

Although it is not thought that any of the candidates will gain the necessary overall majority in a three-way contest, political observers believe that if either Dr. Mulder or Mr. P. K. Botha pulls out first, enough of their support would go to the Defence Minister to give him victory.

Kaunda nomination challenge

By A Correspondent

LUSAKA, Sept. 27.

THE HIGH COURT here is to be asked to declare null and void President Kenneth Kaunda's nomination as sole candidate in next December's presidential elections.

The application, made by two leading political opponents of Dr. Kaunda—former vice-president Mr. Simon Kapwepwe and a Zambian politician Mr. Harry Nkumbula—will be heard on October 2 and 3.

Dr. Kaunda was nominated sole candidate by the 600-man National Council of his ruling United National Independence Party (UNIP) earlier this month under controversial constitutional amendments enabling the council to make the choice and tightening up qualifications for presidential contenders.

Mr. Kapwepwe, Mr. Nkumbula and a Lusaka businessman, Mr. Robert Chiluwe, had earlier announced that they would campaign for the UNIP nomination, but all three challenges were thrown out as the controversial amendments were deemed approved by the UNIP general conference, meeting in tandem with the national council.

Zambia's chronic problems in exporting copper, and the resultant foreign exchange shortage, have forced it to launch negotiations with the International Monetary Fund (IMF) intended to ease conditions for further disbursement from a \$850m IMF loan, according to informed sources here.

The negotiations concern an IMF condition that the imports pipeline be reduced to less than \$500m by some Kwacha 55m by the end of this month.

Namibia debate build-up

BY OUR OWN CORRESPONDENT

UNITED NATIONS, Sept. 27.

DR. DAVID OWEN, the British Foreign Secretary, held further talks today with other Ministers attending the UN General Assembly in preparation for the expected meeting of the Security Council on the Namibia question.

Meanwhile, the African states, led by South Africa, have toned down a tentative draft resolution they circulated earlier in the week, deferring a proposed determination by the council that South Africa's decision to hold elections in the territory without any UN involvement constitutes a threat to international peace and security.

But the African members still retained in their text a paragraph stating in effect that if South Africa refused to allow the UN to supervise Namibian elections the council should meet again not later than October 5 to consider enforcement measures under the mandate provisions of Chapter VII of the UN Charter.

The main purpose of the proposed council meeting, which Dr. Owen and the U.S. Secretary of State, Mr. Cyrus Vance, may attend if the timing is right, is to approve the recommendations of the UN Special Representative for the big UN military and police operation in Namibia published on August 29 by the Secretary-General and call for co-operation in their implementation.

Sri Lanka ban lifted

COLOMBO, Sept. 27.

FOREIGN COMPANIES can now repatriate profits earned in Sri Lanka and non-resident shareholders can receive dividends from locally registered companies, a Central Bank spokesman said today. This lifts restrictions in force since 1967.

The Central Bank's Exchange Control Department has told authorised foreign exchange dealers that profits and dividends can be repatriated to foreign investors subject to certain conditions.

Company auditors must certify that the amounts repatriated represent profits earned in Sri Lanka.

Malaysian electricity costs rise

BY WONG SULONG

KUALA LUMPUR, Sept. 27.

MALAYSIAN INDUSTRY and commercial enterprises will have to pay 20 per cent more for electricity supplies following a new contract between the National Electricity Board (NEB) and two oil companies, Shell Refining

Assad starts talks with Saudis

TAIF, Sept. 27.

PRESIDENT HAFEZ ASSAD of Syria, on a Middle East tour to rally support for the hard-line Arab stand against the Camp David accords, today began talks in Saudi Arabia.

President Assad, who arrived last night from talks with King Hussein of Jordan, conferred with Saudi Arabia's Crown Prince Fahd bin Abdulaziz in the summer resort of Taif.

Saudi Arabia, Egypt's main financial backer, has described the accords as unacceptable because they did not make absolutely clear Israel's intention to withdraw from all occupied Arab territories, including Jerusalem.

President Assad last week hosted a summit of the anti-Sadat front—comprising Syria, Algeria, Libya, South Yemen and the Palestine Liberation Organisation which vowed to wreck the Camp David framework.

After President Assad left Amman last night, King Hussein said he and the Syrian leader shared the same desire for a just and durable peace in the area "but not on the basis of what we have been offered in the recent past."

Meanwhile, King Khalid, of Saudi Arabia, left this morning for medical treatment in Cleveland, Ohio, after spending four days at his lakeside villa just outside Geneva.

While in Switzerland, the King was visited by Mr. Hassan al-Tubani, an Egyptian Deputy Prime Minister for Presidential Affairs. Geneva authorities said the pair held "lengthy discussions" and that Mr. Tubani was scheduled to return to Egypt today.

King Khalid reportedly will see a heart specialist in Cleveland. He underwent open heart surgery there in 1972.

In Beirut, fresh fighting erupted today and right-wing forces said one member of the Syrian mortar bombardment of the south-eastern district of Hadath.

Agencies

Resignation warning by Begin

By David Lennen

TEL AVIV, Sept. 27.

MR. MENAHEM BEGIN, Israeli Prime Minister, threatened to resign today as more than one-third of the members of his ruling coalition expressed their opposition to the Camp David peace agreements.

The threat was made as the Knesset, Israel's parliament, debated the accords worked out by Israel and the U.S. The coalition has been rent by the Egyptian demand for Israeli settlements from Sinai as a prerequisite to holding final negotiations on an Egypt-Israeli peace treaty.

During the morning, 44 of the 86 coalition members of the coalition members appeared certain to support the Government. But with up to 40 Opposition members likely to approve the accords, the Government is confident of a comfortable majority in the 120-member House.

The revolt among members of his right-wing coalition worried the Prime Minister. At a Cabinet meeting this morning he said he feared a major rift within the coalition, he would resign.

Mr. Begin also told the Cabinet that any Minister voting against the Government would be considered as having resigned. At least three Ministers who had been planning to vote against the Camp David pact are more likely to abstain, which the Premier appears ready to tolerate.

Thousands of people who live in the new Israeli settlements built on Arab territory occupied in 1967 demonstrated outside the Knesset against abandonment of the Sinai settlements. Those who live on the West Bank and Golan Heights fear that the Government gives up the Sinai villages it will be their turn next.

With 76 members seeking to address the House, the debate could run into the small hours of the morning, and there is a possibility that the vote will have to be postponed until tomorrow.

Japan exchange talks ending

WASHINGTON, Sept. 27.

JAPANESE Vice-Minister of Finance for International Affairs, Mr. Takehiro Sagami, said here the Japanese Government hopes to reach a conclusion in its discussions about the relaxation of foreign exchange controls at the end of the year.

The programme of relaxation, he said would be such as to move the recommendations on exchange controls through the Japanese Parliament early in the new year.

However, the principle espoused by Mr. Tatsuo Murayama, the Japanese Finance Minister, of relaxing exchange controls at the point where the system accepted as "free in principle, banned in exceptional cases" reflected arrangements already in place, Mr. Sagami suggested.

Tractors for Iran

Reliance-Mercury of Halifax, Yorkshire, has won orders worth £275,000 for its Haulmajor Mark 2 heavy duty dory tractor from Iran and Saudi Arabia.

Nine left-hand drive Haulmajors are being shipped from Felixstowe for use at the Port of Bandar-e Shapur.

Mexico 'to shelve suburban project'

BY WILLIAM CHISLETT

MEXICO CITY, Sept. 27.

RESTRICTIONS ON Mexico's foreign borrowing imposed by the IMF have apparently led the Mexican Government to decide to shelve its suburban rail project—scheduled as the largest

financed by the world railway industry.

While officially no decision has been announced by the Government, privately Mr. Jose Lopez Portillo, the Mexican President, told Mr. Toshio Tado, president of the Japanese employers association (Keidanren), yesterday that the project was off for the time being because of the IMF's limits.

Mr. Tado is here at the invitation of Petroleros Mexicanos (Pemex), the State-owned oil company.

Other reasons for putting off the project were that it was now general Government policy to invest more outside Mexico City, and that the Metro, the city's underground railway system, was built not so long ago, the president told him.

The first stage of the contract to lay 52 kilometres of track between the city and the town of Toluca, 40 km. away, would cost \$1.5bn. Front-runners for the con-

tract included GEC Transport Project, leading the British group, Japan, Canada and the 80 Heriz Group, a European consortium.

The IMF imposed a net borrowing limit of \$3bn for 1977 and the same amount for this year. Mexico kept to the figure in 1977 (when its debt went from \$20bn to around \$22bn).

Earlier this month, the Mexican President announced that at June 30, total foreign debt stood at \$25bn, making Mexico, with Brazil, the most indebted country in the world.

Observers have expressed surprise that the reason for shelving the project was that the IMF limit for Mexico was on target this year. Also, the front-runners in the project are reported to have been ready to put up most of the cost.

One of the reasons for shelving the project may be the Government's attempts to decentralise Mexico City, which with a population of 13m, is overcrowded. By the year 2000, the city's population is expected to be 30m, which would make it the largest city in the world.

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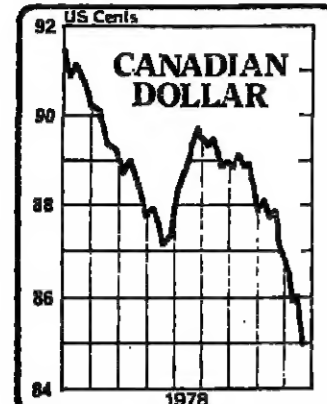
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Canadian dollar 'is floating'

WASHINGTON, Sept. 27.

THE Canadian Government is not thinking of imposing exchange controls to prevent the Canadian dollar floating further in foreign exchange markets, Mr. Jean Chrétien, Canadian Finance Minister, said.

"The currency is floating," he stated. "Our intervention is aimed at moderating the speed in the change of the market rate of the dollar."

Reuter

Canada jobless cover-up claim

BY VICTOR MACKIE

OTTAWA, Sept. 27.

LOCAL AND REGIONAL manpower officials have been ordered by the Canadian Government to suppress information on real unemployment rates to avoid embarrassing the Employment Minister, Mr. J. S. G. Cullen, documents made public on Tuesday by the new Democratic Party leader, Mr. Ed Broadbent, alleged.

"I have been saying for some time that the real level of unemployment in Canada far exceeds the official figures which are published each month. If this is not so, as the Government has always argued, then why it is now necessary to suppress data from officials in this field," Mr. Broadbent asked.

"It again appears that the Government is more interested in hiding the real extent of the problem from the Canadian people, rather than admitting the mess they have created and doing something about it," Mr. Broadbent added during a news conference.

The NDP leader said he would pursue the matter when the House of Commons reconvened on October 10.

Postmen end rotating strikes

BY OUR OWN CORRESPONDENT

OTTAWA, Sept. 27.

CANADA'S POSTMEN have terminated their rotating strikes after day-long meetings with Mr. Andre Gauthier, acting Labour Minister.

The announcement came after 11 hours of negotiations between the Letter Carriers' Union of Canada and Government representatives.

Details of the settlement have not been made public but are being sent to the 18,000 postmen for their approval.

The documents claim to show that regional and local manpower officials were instructed to hide and suppress any "local area estimates of numbers of unemployed or employed, particularly by occupation or industry," because these might conflict with official figures published in Ottawa.

Mr. Cullen told a news conference that calculations of the numbers of unemployed and employed in local areas on the basis of occupation or industry were for internal use by the department and were not for public consumption.

Meanwhile, Canadians have been warned that they could face wage and price controls again if they try to obtain pay increases to match the recent rise in the cost of living. The warning came in an editorial in the first quarterly report of the Centre for the Study of Inflation and Productivity, an arm of the Economic Council of Canada.

Reuter added: All political prisoners in Tehran's main jail have gone on hunger strike against martial law, according to a spokesman for the Committee for the Defence of Human Rights, a prominent dissident group. He said in Tehran that the prisoners had started the indefinite strike last Sunday. Confirmation was not available from officials, and it was not known how many prisoners were involved.

Meanwhile, Moslem clergy from north-west Iran today protested against the reported Iranian Ayatollah (spiritual leader). Mr. Ruhollah Khomeini.

Delta Airlines moves towards Boeing purchase. Eastern Airlines seek protective merger. General Tire still lags—Page 28

U.S. COMPANY NEWS

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U.S. COMPANY NEWS

Delta Airlines moves towards

ICFC Warning: A short-term loan can damage your health.

If you're using short-term borrowings for short-term purposes, fine.

But if you're using short-term borrowings to finance your long-term plans, you're dicing with death.

It's the prerogative of anybody who lends short-term to demand his money back anytime he likes.

Which, if you happen to be in the throes of building a factory, could be fatal.

We have a healthier plan.

We'll make you a loan at fixed interest.

Or provide you with a lump sum by subscribing for new shares or purchasing some of your existing ones.

Or work out with you the best combination.

We're ICFC and we were set up in 1945 specifically to provide long-term finance for smaller businesses.

So far we've injected over £550 million into more than 4,500 companies.

To the benefit of their health and ours.

If you're worried about yours, we'll be happy to arrange a free consultation.

ICFC

The smaller business's biggest source
of long-term money.



WORLD TRADE NEWS

Nippon Electric and RCA win Soviet TV contracts

BY DAVID SATTER

MOSCOW, Sept. 29.

THE SOVIET Union has concluded contracts with Japanese and U.S. companies for technology and equipment to upgrade and expand Soviet television sets, for which there is an increasing demand.

Two Japanese concerns, Nippon Electric and Kenamatsu Goshu, have signed a contract with the Technopromimport Soviet foreign trade association worth \$65m for a colour TV picture tube manufacturing facility. The plant will have two production lines with a capacity of 1,500,000 picture tubes producing three 20-inch tubes to every seven 26-inch tubes. It will take two and a half years to complete but the location of the plant was not disclosed.

The American company, RCA, at the same time, has signed a contract worth more than \$25m with the Soviet Union for a trade organisation for a colour television picture tube plant to be set up at Voronezh, where several other television manufacturing plants are to be located.

This is RCA's first major project in the Soviet Union since the pre-war period when RCA built an electric bulb plant in Moscow. Its recent activities have been limited to finished product sales.

RCA has also concluded a ten-year scientific and technical co-operation agreement with Licensintorg for the electronic industry, covering the exchange of patents and licenses for the

manufacture of colour TV picture tubes. Colour television sets now appear to be the Soviet Union's second most sought after consumer item after private cars. The entire country can receive colour television transmissions through the Sputnik satellite and demand for colour television sets is increasing with the approach of the 1980 Olympics. Mr. S. Y. Voron, vice-president of Licensintorg, said that the aim of the agreement was to improve the quality of Soviet colour television but also to facilitate wider production.

© National Panasonic, Japan's largest producer of consumer electronics products, has placed orders with two British manufacturers for the supply of loudspeakers that will be marketed under its brand name in Britain. The two companies to supply speakers to National Panasonic are Ingham Mitreford of Knaresborough, Yorkshire, and Son Audax of Eastleigh, Hants. The contracts are expected to be worth in excess of \$500,000 in the next 12 months.

ITT in Brazilian deal

BY SUE BRANFORD

SAO PAULO, Sept. 27.

COLORADO Radio e Televisao, the largest totally Brazilian television manufacturer, has finally given in to pressure to co-operate with the multinational.

Mr. Salim Abdulla Chamma, managing director of Colorado, said that negotiations are drawing to a close with the German subsidiary of the U.S. giant, ITT, for the supply of colour TV kits to be manufactured in Korea and assembled in Manaus.

Since the creation of Manaus free port in 1967, which permits the import tax-free of components for the electronic industry, Brazilian manufacturers have been increasingly unable to

compete with the flood of cheap televisions, radios, tape recorders and record players, mainly imported from Japan, that have swamped the market.

Colorado and Gradiante, a manufacturer of sound equipment, were the only two large Brazilian companies to have resisted the onslaught.

Standard Eletrica, ITT's Brazilian subsidiary, used itself to manufacture black and white televisions in Brazil. However, it discontinued production over 10 years ago when ITT decided to pull out of the sector of electrical and electronic household goods and concentrate on telecommunications equipment.

Brezhnev in bid to ease U.S. curbs on trade

By David Satter

MOSCOW, Sept. 27.

MR. LEONID BREZHNEV, the Soviet President, today issued a fresh call for the repeal of "remaining obstacles" in the way of U.S.-Soviet trade.

His remarks — almost certainly a reference to the Jackson-Vanik Amendment which ties liberalised U.S.-Soviet trade to freer Jewish emigration from the Soviet Union — came during a meeting with Mr. Michael Forrester and Mr. William Verity, the co-chairmen of the U.S.-USSR trade and economic council.

The fact that the two businessmen, who are in Moscow on a three-day visit for the non-governmental trade council, were received by Mr. Brezhnev underscored the continuing importance that the Soviets attach to U.S.-Soviet trade.

They nevertheless regard as discriminatory U.S. legislation and President Carter's recent action in cancelling a computer contract and freezing U.S. oil equipment exports in retaliation for Soviet dissident trials.

The three men held "detailed discussions" on U.S.-Soviet trade relations and it was stressed that the Soviet Union favours "good, mutually beneficial relations with the U.S."

Carter scheme criticised

By David Buchan

WASHINGTON, Sept. 27.

AMERICAN BUSINESS leaders today welcomed President Carter's new export promotion programme as a step in the right direction, but said it fell short in providing tax incentives to exporters.

Mr. Carter yesterday proposed an increase of \$300m in loan authority for the Export-Import Bank, the channelling of \$100m from the Small Business Administration to provide loan guarantees for small exporting companies, and a review of domestic laws that might inhibit U.S. sales abroad.

Both the U.S. Chamber of Commerce and the National Association of Manufacturers criticised the President's failure to come up with an alternative tax break for exporters to replace the present DISC tax deferral scheme.

Under the cumbersome DISC scheme, companies are allowed to defer U.S. tax payments on their export earnings.

But Mr. John Caldwell, international director of the U.S. Chamber of Commerce, today welcomed the emphasis in the new programme in helping small and medium sized companies break into foreign markets.

Yesterday's statement from the White House on the new programme hinted that the Carter Administration would henceforth be more sparing in the imposition of export controls on U.S. sales to countries whose human rights record it did not approve of.

At the same time it was learnt that the State Department had now given permission for the Export-Import Bank to help finance the \$270m sale of hydroelectric turbine equipment from Allis Chalmers to Argentina.

Seddon launches new truck using engine developed by IH

BY KENNETH GOODING

THE ASSOCIATION between International Harvester, the U.S. concern which is one of the world's leading truck makers, and Seddon Atkinson of the U.K. is now beginning to show up in the market place.

Seddon, which was acquired for £10m, by IH in 1974, today launches a new truck designed specifically for the U.K. market but which uses an American-built International Harvester diesel engine to provide the power.

Both the cab and the chassis were developed with the help of IH's North American engineering centre.

The new truck fills a gap in the present Seddon range and has been designated the 300. A sedate, stable, 200 and 400 Seddon trucks, it is a six-wheel, 24 tonner to satisfy all the basic mixer, tanker, tipper and haulage applications within its weight range.

Seddon has deliberately aimed at capturing market share from the leader in the field, Leyland Vehicle's Bison. It has even brought the new truck's list price of £19,000, just £5 under the price quoted for the Bison.

This is a major reduction on

the price Seddon has been charging for its previous six-wheeler from the 400 range—£22,150 and the kerb weight of the newcomer is also substantially lower.

In 1976 Seddon sold only 100 of the old-style six-wheelers. It aims to build two a day and deliver 500 in 1979 and 1,000 in 1980-81 if market conditions permit. This should give Seddon roughly 20 per cent of the available market at that stage.

The UK market for six-wheelers once reached 8,000 units in the early 1970s but it subsequently fell as low as 3,000 since 1975, reflecting the recession in the construction industry which provides most of its customers. Seddon expects to see only limited growth in the total market during the next few years.

The 300 should provide a significant addition to Seddon's output which is planned to rise from nearly 4,000 units this year to 5,000 in 1979. It is powered by the International DT466 diesel engine, one of the most popular diesels in the U.S. in the 200hp range and one of a family of engines which have already sold more than 250,000. It was introduced in the U.S. in 1971.

Seddon's previous six-wheeler used a Gardner diesel from the Hawker Siddeley subsidiary. Apart from an American engine, the 300 incorporates a ZF gearbox from West Germany but Seddon says that only 17 per cent by value of the new vehicle is accounted for by imported components.

The 300 benefits from Seddon's recently improved warranty, which covers major units on every vehicle for unlimited mileage during the first 12 months—including all labour, parts and tow-in costs.

EEC team in talks with Hua

By John Hoffmann

PEKING, Sept. 27.

THE CHINESE head of state, premier Hua Kuo-feng, told members of the visiting European Economic Community delegation to China today that there were broad prospects for developing economic and trade relations between China and the EEC.

"There is no conflict of fundamental interests between us," he told EEC Commission vice-president Herr Wilhelm Haferkamp, who is leading the delegation. "Our views are identical on many issues. There is a good beginning now and we can go forward step by step in the future."

Mr. Haferkamp told chairman Hua that he was sure economic and trade relations between the European Community and China would grow in the future.

Earlier today Mr. Haferkamp and senior members of his mission talked with China's Minister for Foreign Trade, Mr. Li Chang. They discussed the further development of the five-year trade agreement which has been effective since last June.

The mission's purpose is ostensibly exploratory, although there is a strong likelihood that individual members will be discussing specific prospects for industrial and technological deals.

Europe's potential as a strong contributor to China's development and a major partner in its future trade relations was emphasised by recent protocols and agreements which show China's willingness to use equipment and technology from Britain, West Germany, Italy and the Netherlands.

Shipbuilding hopes in Malta

MALTA, Sept. 27.

PROSPECTS of Poland awarding Malta Drydocks a number of shipbuilding orders have been described as encouraging by senior yard officials following negotiations held in Warsaw last week.

The Malta yard, which has already handled shipbuilding contracts for China, is hoping to win important deals involving the construction of middle sized carriers.

Malta Drydocks is also negotiating the handling of structural steelwork deals with Czechoslovakia.

Petrochemical plan goes ahead

BY DIANA SMITH

RIO DE JANEIRO, Sept. 27.

CONTRACTS have been signed in Washington for a \$95.5m loan from the Inter-American Development Bank (IDB) to Brazil's Copelul (Southern Petrochemical Company), co-ordinating body for the country's third petrochemical complex, due to be built in the extreme southern state of Rio Grande do Sul.

The total cost of the new complex will amount to \$847m. Apart from the IDB loan, \$334.4m will be contributed by Petroquim, the petrochemicals branch of

Brazil's oil monopoly, Petrobras, which, as in the second petrochemical complex (in Camacari in Bahia State) will be the linchpin of the raw materials unit, and take, through Copelul, a one-third share in the downstream units.

Another \$241.7m will be supplied by the National Economic Development Bank, as back-up for the contribution of Brazilian private industry to the complex (as in Camacari, this sector will take a one-third share in the downstream units).

French participation in the complex is of importance. Bras Technip, local offshoot of Cie. Francaise d'Etudes et de Construction Technip, has won the tender for basic designs of the raw materials unit while Rhodia (Rhône-Poulenc) and Anichemie are expected to be the foreign joint venture partners of the PVC and low-density polythene units, respectively.

Meanwhile, a syndicate of French banks is offering a \$30m credit line for equipment purchases.

Rotterdam to aid Third World

BY CHARLES BATCHELOR

AMSTERDAM, Sept. 27.

THE PORT OF Rotterdam has opened a bureau to coordinate help to developing countries faced with harbour problems. The Dutch port, which is the largest in the world, has already received a large number of enquiries from African and South American countries.

Rotterdam's reputation meant it was often asked to aid developing countries and it has opened an office this month to coordinate these activities, a port spokesman said. Director of the new office is Mr. Peter Ten Arve, who has experience of working on development projects.

The Dutch port expects to advise on management problems, on the "wet" and "dry" infrastructure, storage and transshipment, traffic control, training and labour relations.

This fits in with Dutch Government policies on aid to Third World countries but will also add to Rotterdam's expertise and

create good will for the port. Rotterdam's own activities will also benefit from the smooth growth of trade with developing countries.

Rotterdam aims to give practical advice to Third World harbour authorities which will result in concrete action. It does not want to get involved in

"large-scale, time-consuming and costly studies, which ignore the need to arrive at practical, recognisable improvements within a short time," it said in a recent study.

The city authorities have budgeted £150,000 (\$71,000) for the new bureau's first year of operation.

Librium prices to increase

BY OUR OWN CORRESPONDENT

AMSTERDAM, Sept. 27.

HOFFMANN LA ROCHE, the Swiss pharmaceuticals manufacturer, may increase prices of its Librium tranquilliser by an average of 6 per cent in Holland, the Economics Ministry said.

This represents an easing of the policy towards the pharmaceuticals company after the Dutch authorities ordered cuts of 13 per cent to 35 per cent in Valium and Librium prices in

Air Canada: Right Answer No 1

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The Right Answer

AIR CANADA CARGO



Iran now biggest buyer of UK worsted cloth

BY RHYD DAVID

IRAN HAS now emerged as one of the top three buyers of British wool textile products following a major increase in the first seven months of this year in its purchases of worsted cloth.

The Iranians have stepped up their purchases of worsteds from 287,000 square metres in the first seven months of last year to 2,354m square metres in the same period this year, though there has at the same time been a reduction in Iran's purchases of woven cloth from 734,000 square metres to 380,000 square metres.

The increase, which follows the signing of several major contracts by British suppliers, places Iran in first place as the biggest purchaser of UK worsteds in the January-July period, ahead of Japan which made total purchases of 1,674m square metres. The Japanese also bought 1,778m square metres of woven cloth, however, and remain the biggest overall customer of UK wool textiles, closely followed by the U.S. with total purchases of 3,226m square metres. Out of this total only 173,000 square metres were worsted cloth with the remaining American purchases all being woven cloth.

Other big customers of the UK wool textile industry in the first seven months of the year were West Germany, which received 2.7m square metres of woolen and worsted fabric, Canada (2.2m square metres), and France (1.8m square metres). Sales in the Middle East as a whole reached 6.4m square metres making it the second biggest market overall behind eastern Europe which accounted for 9.8m square metres.

\$200m Czech paper mill order for Canada

HARRIS INTERNATIONAL FINANCE, N.V.

A 100% stock dividend of the common stock of Harris Corporation was declared on August 30, 1978 to be paid September 22, 1978 to holders of record September 15, 1978. The dividend was \$1.00 per share of common stock. Harris International Finance, N.V., 500 Madison Avenue, New York, N.Y. 10022, is the exclusive agent for the sale of Harris Corporation common stock in the Netherlands.

MANAGING DIRECTOR
HARRIS CORPORATION

OTTAWA has confirmed that Canada has agreed to build a pulp and paper mill in Czechoslovakia and will build a second mill later, our Montreal Correspondent writes.

The engineering and construction supervision will be provided by R. A. Simons of Vancouver and Montreal, a long-established pulp and paper industry consulting company.

Financing will be handled by the Federal Export Development Corporation with the Canadian commercial banks.

James.
Once more round the block.
"Tomorrow's World's on."

Some of our chauffeur driven cars have TV. You can even opt for one with a cocktail cabinet. Either way, we'll keep you in touch by radio phone.

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UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output engineering orders, retail sales volume (1970=100); retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Ind. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem.	Vacs.
1977							
2nd qtr.	105.5	102.5	106	102.5	222.0	1,330	163
3rd qtr.	105.5	103.4	106	104.3	234.2	1,418	151
4th qtr.	106.0	102.2	107	104.4	239.4	1,431	137
1978							
1st qtr.	107.2	102.7	110	106.3	246.0	1,409	188
2nd qtr.	110.0	103.2	108	109.0	254.2	1,367	213
3rd qtr.	110.0	103.1	115	108.4	255.2	1,396	210
4th qtr.	111.4	105.1	106	108.7	257.3	1,365	217
1st qtr.	111.8	105.1	107	111.4	265.8	1,371	211
2nd qtr.	111.5	105.1	107	111.5	265.8	1,392	209
3rd qtr.	111.5	105.1	107	111.5	265.8	1,373	219

OUTPUT—By market sector: consumer goods investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1970=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mfg.	Textiles	Leather & clothing
1977							
2nd qtr.	104.0	98.2	115.9	99.2	102.4	100.8	25.1
3rd qtr.	104.1	99.4	116.7	100.2	108.0	101.3	25.4
4th qtr.	104.5	98.3	114.5	99.1	95.2	100.1	20.7
1978							
1st qtr.	105.2	100.7	116.3	101.5	95.4	98.1	17.8
2nd qtr.	106.3	100.6	121.3	101.7	109.3	99.3	26.7
3rd qtr.	105.0	101.0	118.0	102.0	106.0	98.0	20.7
4th qtr.	107.0	100.0	122.0	102.0	108.0	103.0	25.4
1st qtr.	105.0	101.0	120.0	101.0	107.0	97.0	25.1
2nd qtr.	107.0	101.0	122.0	102.0	114.0	98.0	29.6
3rd qtr.	106.0	102.0	123.0	102.0	119.0	102.0	23.6

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US\$bn
1977							
2nd qtr.	118.0	109.6	-782	-287	-745	100.3	14.9
3rd qtr.	124.4	106.6	+31	+574	-602	101.0	13.4
4th qtr.	117.6	102.7	-5	+507	-687	102.4	20.39
1978							
1st qtr.	119.9	114.1	-612	-317	-646	104.9	20.63
2nd qtr.	125.7	107.7	-119	-135	-440	104.5	16.75
3rd qtr.	123.2	107.7	-119	-135	-440	104.5	16.75
4th qtr.	119.2	113.8	-227	-118	-149	104.1	17.04
1st qtr.	121.6	111.3	-100	+11	-116	105.2	16.60
2nd qtr.	127.0	115.8	-132	-57	-329	104.5	18.54
3rd qtr.	125.0	111.4	+58	+133	-107	105.7	16.4

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (€m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

ending rate (end period).								ann. seasonally adjusted.	Minimum
	M1 %	M3	Bank advances %	DCE \$m.	BS inflow	HP lending	MLR %		
1977									
1st qtr.	24.8	14.9	5.5	+769	1,290	1,047	8		
2nd qtr.	28.0	10.4	20.3	+365	1,084	1,149	7		
3rd qtr.	23.2	12.6	8.8	+698	1,565	1,189	7		
1978									
1st qtr.	24.3	23.8	17.5	+1,791	1,049	1,260	8		
2nd qtr.	8.5	15.7	24.7	+2,869	694	1,293	10		
3rd qtr.	18.7	24.2	12.6	+1,432	335	483	7		
4th qtr.	13.1	17.2	18.3	+1,128	212	471	9		
1st qtr.	8.5	15.7	24.7	+315	147	459	10		
2nd qtr.	9.3	9.5	35.1	+114	200	458	10		
3rd qtr.	5.5	1.5	15.9	-276	200		10		



“To ensure you receive the same towels every week my wife will personally embroider your initials on them”

Mr A. P. Bigelow 1903

When the enterprising Mr Bigelow introduced his towel rental service to the business establishments of London, he also introduced the system of identifying every towel with the customer's own initials. Quite naturally, he called his new company The Initial Towel Supply Company.

Now it's Initial's 50th Anniversary as a major public company... in fact, seventy-five years since Mr Bigelow first brought to Britain the idea of personalised towel rental. We thought it high time we paid tribute to the originator of such a personal service by restating the promise he made to each of his customers in 1903.

It also gives us an excellent opportunity to remind everyone that although the range of Initial services has grown and now we are one of the biggest hygiene service companies in the world ... we still identify every customer's towels, and it is still a most personal service. We think Mr Bigelow and his wife would approve.



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INITIAL

The Initial team today bring you towels, soaps, workwear, air fresheners, floormats
.....plus a tailormade plan to suit your business exactly.

HOME NEWS

UK fights EEC plan on steel financing

BY IVOR OWEN, PARLIAMENTARY STAFF

BRITAIN is taking the lead in opposing a draft EEC Commission directive which would impose new restrictions on the financing of the iron and steel industries.

Mr. Eric Varley, Industry Secretary, claims the Commission's proposals fail to take adequate account of the differing needs of public and private steel.

A major point at issue is whether the draft directive would interfere with existing arrangements under which the British Steel Corporation is able to obtain funds from the Treasury to finance its investment programme.

The Commission's proposals form part of its general approach to the problem of reducing excess capacity in the Community steel industry, but Britain, with support from Italy, objects because they appear to be tailored to the requirements of the private sector.

The first public intimation of the firm stand being taken by British Ministers came yesterday in a report by the Commons select committee on European legislation. Mr. Varley is reported to have said that differences within the Council of Ministers make it unlikely that the draft directive will be adopted in its present form.

Delicate

He also said that Britain felt any agreement on the restructuring of the Community steel industry must precede new restrictions on the financing of steel concerns.

Ministers take the view that if the draft directive were to be implemented as it stands, it would add a new dimension to British Steel's already serious financial problems.

The delicacy of negotiations with the EEC Commission is recognised by the committee, which has dropped its earlier demand for a debate on the draft directive "at an early date."

John Lloyd adds: The British Steel Corporation is not expected to be self-financing for at least five years, even on optimistic estimates.

In April this year, its borrowing limit was raised from £4bn to £5.5bn. The corporation's borrowings in National Loan Fund capital and Public dividend capital were then just over £3bn.

A capital reconstruction of the corporation, which has been mooted for some time, is still thought likely to take place this year. The corporation's losses for next year have been estimated to be at least £400m.

Colston holds talks on co-operation with Italian group

BY PAUL TAYLOR

THE CHARLES COLSTON Group marketing and servicing in has begun discussions with Merloni Ariston of Italy over future wide-ranging co-operation between the two companies in the domestic appliances industry.

Mr. Michael Colston, chairman of the private High Wycombe-based group, said preliminary discussions had indicated "considerable benefits" to both companies from co-operation.

He said the company, which is shortly expected to announce a £14m or £15m turnover for the year ending April 28, had been approached by the Fabriano-based Italian group and that discussions began "several days ago."

They are expected to last several months while the companies consider the advantages of joint-manufacture, export and servicing facilities, information exchange, joint marketing and shared research and development programmes.

Colston hopes to benefit from Merloni's expertise in large-scale manufacture and sees export potential and perhaps even Italian capital investment in the UK as possible results of some form of tie-up. Merloni is thought to be seeking a UK base for

Conoco agrees to sell UK chemical interests

BY KEVIN DONE, ENERGY CORRESPONDENT

NORSK HYDRO has reached agreement with Conoco on buying the U.S. oil company's chemical interests in the UK.

Announcing this in Oslo, Mr. Odd Narud, president of Norsk Hydro, said that the company was now waiting for the UK Department of Industry to give its views on the proposed deal.

He was optimistic that the deal would be approved.

Conoco is selling its half share in Vinatex, the third largest UK producer of PVC (polyvinyl chloride) together with its 10 per cent stake in Stavley Chemicals. Stavley holds the other half of Vinatex.

The main shareholders in Stavley are the National Coal Board (45 per cent) and the British Steel Corporation (45 per

cent). Both corporations are understood to favour Norsk Hydro buying into Vinatex, particularly as the Norwegian company has said it is willing to push ahead with Vinatex's expansion plans.

The deal is likely to be worth £5m to £8m, but final details are still being negotiated and a price is unlikely to be revealed for some weeks.

The boards of both Vinatex and Stavley Chemicals will meet on October 23 and an official announcement of the deal is expected later.

Before the Department of Industry gives its views on sale it is likely to demand assurances from Norsk Hydro about future investment and job security at Vinatex.

The deal has aroused considerable controversy in the British chemicals industry, particularly from Imperial Chemical Industries.

ICI has used the pending sale as one of the reasons for postponing work on an £50m petrochemicals plant at Wilton, Gloucestershire.

The plant was being built to produce 150,000 tonnes a year of VCM (vinyl chloride monomer), the raw material for manufacturing PVC, one of the most widely used commodity plastics.

ICI is the main supplier of VCM to Vinatex, but it is likely to lose much of this business to Norsk Hydro, which has considerable surplus VCM capacity in Norway. Norsk Hydro's interest in the deal with Conoco is in finding a new outlet for some of this product.

Government broke promises over tax rise, claims Shell

BY SUE CAMERON

SHELL YESTERDAY renewed the oil industry's attack on Government plans to increase North Sea petroleum revenue tax from the present 45 per cent to 60 per cent.

Mr. Michael Pocock, chairman of Shell Transport and Trading, accused the Government of breaking promises made to oil companies when the tax was introduced in 1975. He said the industry had been assured that the tax would not be increased unless the value of oil changed in real terms.

Now the Government was planning to put up the tax by 15 per cent while at the same time reducing capital expenditure allowances, Mr. Pocock said the proposal showed the "mean attitude" of Ministers and he added that while businessmen had been prepared for tax changes they could not be expected to plan for "broken promises."

The Government announced its intention to raise the tax at the beginning of last month. The plan, which would increase Government revenues from the North Sea by an estimated £2bn over the next seven years, brought immediate criticism from the oil companies which said the additional burden could undermine the industry's confidence. Ministers hope to implement the tax changes next spring.

'A sham'

Mr. Pocock, who was speaking at the seventh World Planning Congress in London, said the planned tax increases were typical of the "insidious tendency" of governments everywhere to shy away from all forms of risk. The British Government was prepared to subsidise companies so that they could keep their "heads above water" as he said, and to look like making a handsome profit action was taken to "whittle it down."

The whole idea of a risk-free society, Mr. Pocock said, had to be exposed for the sham it was.



Mr. Michael Pocock, chairman of Shell Transport and Trading, who spoke of "the insidious tendency" of governments to shy away from risks

be exposed for the sham it was. development in the name of environmental safety.

He stressed that successful businesses depended on people taking risks but he warned there was a danger of industrialists deciding to jump on to the "risk-free" bandwagon.

He pointed out that attempts to reduce the risk of industrial hazards to zero were both unrealistic and prohibitively expensive. He also attacked "narrow" pressure groups which were being allowed to disrupt economic

NCP chairmen buy Trailerent stakes

BY TERRY OGG

SIR DONALD GOSLING and Mr. Ronald Hobson, joint chairmen and major shareholders of National Car Parks, have taken substantial equity interests in Trailerent, a new company which aims to capture a significant slice of the UK's £15m trailer rental and contract hire market.

The new company is essentially the brainchild of Mr. Mike Dibb, its managing director who was previously head of Rentco Nationwide, a subsidiary of Crane Fruehauf, the trailer and transport equipment company. Mr. Dibb is one of the UK trailer rental field. Two fellow directors, Mr. Jim Morehead and Mr. Geoff Markham, and other key executives were also previously with Rentco.

Trailerent has already established branches at Rainham and Slough, in the south of England. It will open a third in the Midlands in October and plans a national network of branches, possibly through the acquisition of some regionally-based companies. Within five years it hopes to

become one of the leading rental companies in Europe with branches on the Continent.

The company has bought 100 trailers, with financial help from National Car Parks, and 98 of them are at present rented out. A further 200 will be added by the end of December and the total will reach 550 by the end of the first year of operation. In its second year Trailerent plans to increase its fleet by a further 300 trailers to give it about 8 per cent of the market.

Provided that 80 per cent of the fleet is continuously in use (well above the current industry average of 65 per cent), the 850 trailers should generate a revenue of about £1.5m. The company said it did not expect to break even until midway through its second year.

Trailerent is completely independent of either trailer manufacturers or American-controlled companies, and its fleet consists of both Craven Tanker and Crane Fruehauf trailers. It ranges from small 23 ft tandem axle skeletons, capable of carrying one standard-sized container, to 40 ft tall tandem axle trailer vans.

Ariel chief resigns for investment post

BY JAMES BARTHOLOMEW

MR. COLIN LEACH is resigning as managing director of Ariel, the computerised share-dealing system which at one time appeared as if it might challenge the Stock Exchange.

Mr. Leach helped to create Ariel and has been with the company since it started four years ago.

The reason given for the resignation is his appointment as an executive director of Fidelity Management and Research (UK), the London affiliate of a Boston-based investment management company. Mr. Leach wishes to return to investment management.

Ariel subscribers deal through computer terminals in their offices—thus cutting out the brokers and jobbers of the Stock Exchange.

The dealing costs of Ariel are less than those of the central market but the system has had difficulty in obtaining more than a small fraction of the Stock

Exchange's business.

Ariel has around 1 per cent of the turnover of investment institutions, said the chairman, Mr. Charles Clay, yesterday. The turnover is actually down on that in the first year of Ariel's operation although the last few years have been steady, he said.

Turnover several times higher than this was anticipated at the system's inception. The Stock Exchange was concerned that it would be adversely affected and stock market commission rates were reduced partly because of the competition.

The failure of Ariel to take off is ascribed by Mr. Clay to the dullness of the equity market and two disabilities imposed on Ariel: the system is not allowed to deal in gilts, which have been a better market than equities in recent years, and is not allowed to have market-makers (jobbers) who are exempt from stamp duty in the way in which the Stock Exchange is able to have them.

New immigrant service chairman

MR. ALEXANDER LYON, began in 1970. Some 320,000 Labour MPs and former Ministers of State, the Home Office, was elected chairman of the United Kingdom Immigrants Advisory Service in London.

He succeeds Lord Foot, the Liberal Peer, who has been chairman of the service since it

was set up to deal with the cases of immigration problems which have been handled, both in the UK and overseas.

Three members of the Asian community in Britain, Mr. Q. S. Anisuddin, Mr. S. A. Rafai and Mr. J. S. Sandhu, were re-elected vice-chairmen.

Body needed 'to oversee directors'

By Maurice Samuelson

ANNUAL MEETINGS of shareholders do not adequately represent the interest involved in a company or industry and there is a need for a new body to which directors would be accountable, the Institution of Works Managers claimed yesterday.

The institution, representing 20,000 senior and middle managers in manufacturing enterprises, wants the Companies Act to be amended, obliging directors to take account of the interest of employees, customers and public, in addition to those of the shareholders.

In a paper on industrial participation, the institution also suggests the establishment of a body "with finance and teeth," perhaps on the lines of the Safety and Health Commission, to recommend codes of practice to Governments and to advise on what other interests should be represented on a company council.

The institution calls for better training of managers, trade unionists and others in promoting participation in management.

"Towards Responsible Participation" published by the Institution of Works Managers, £1.

Crown Agents' inquiry told of share deal

THE WHOLE of the Crown Agents' office was "agony" when it heard about plans to buy shares in a merchant bank, the tribunal of inquiry into the Crown Agents' losses was told yesterday.

But its senior agent at the time, Sir Stephen Luke, had no idea such an interest was being created in the venture.

He told Mr. Martin Nourse, counsel for the tribunal, that the acquisition of the share in Sassoon was the first time the Crown Agents had made such an equity investment.

Sir Stephen said the deputy governor of the Bank of England had told him the Crown Agents should go ahead with the plan provided that certain conditions were followed.

The tribunal was adjourned until next Wednesday following an application for a "reading time" break by Mr. John Rankin, QC, representing Sir Claude Hayes, Crown Agents' chairman from 1968 to 1974.

Morning Star seeks injunction over title

THE MORNING STAR, official newspaper of the Communist Party, is asking the High Court to stop Express Newspapers calling the new paper it is launching the Daily Star.

The Morning Star Co-operative is asking for an injunction to prevent Express Newspapers from passing off any national daily newspaper as the Morning Star by using the title Daily Star or by any other means.

It is expected the hearing will be later this week.

The new paper is to be printed in Manchester on the Daily Express presses and is aiming for the market at present served by the Sun and Daily Mirror.

On September 8, the Morning Star asked the Express management in a front page article to avoid causing confusion with the proposed title.

However, it appears that the Express has decided to ignore the appeal. It announced on September 22 that the Daily Star was before the court.

would be launched on November 2.

The Morning Star article, signed by Bill Brooks, argued that a second daily newspaper with the word "Star" in the title would cause unnecessary confusion.

It pointed out that newspaper titles tend to become contracted in everyday use to the second word, so that both papers would be popularly known as the "Star."

Mr. Brooks says: "It would be a pity from everyone's point of view if confusion were caused by the use of a title so nearly like one which is so well known."

He adds in a humorous vein that a daily star is not a phenomenon which happens in nature, except when the planet Venus is visible. But there is a morning star, which "shines to illuminate our darkness."

Mr. Vic Matthews, chairman of Express Newspapers, said last night he did not want to be drawn into a question which September 22 that the Daily Star was before the court.

Wright ends retirement to head Evode Holdings

MR. PETER WRIGHT, the former chairman and managing director of Perkins Engines, who announced his retirement last month, is to head Evode Holdings.

His appointment yesterday follows the death of Dr. Hermann Simon, Evode's founder three weeks ago. Mr. Wright will be spending about half his time with the company, although more in the early stages.

Commenting on his plans to retire early and seek a "second life," Mr. Wright said last night that the job offered the opportunity of learning about a completely new industry away from the engineering sector.

It fitted in with his concept of non-executive directorships, giving him a fairly close involvement with the company. He said

he expected to take up other directorships.

Mr. Wright said he had abandoned his thoughts of buying a month ago at the age of 48, is farm on the grounds that he would probably have been "thinking too much of one thing."

Discussions about joining Evode, the manufacturer of Franks Slik, simply as a non-executive director had been going on since early this year. Put the basis of his appointment had been changed by the death of Dr. Simon.

The rest of the board at Evode remains unchanged. Mr. Andrew Simon, the company's chief executive and the son of the late chairman, said yesterday that the performance of the group was improving after disappointing first half results, when profits dropped from

£694,000 to £311,000.

Laker-General Electric deal criticised by MP

BY LYNTON MCLAIN

LAKER AIRWAYS' plan to buy Airbus engines from General Electric of the U.S. rather than Rolls-Royce ran into criticism yesterday.

Mr. Walter Johnson, Labour MP for Derby South, where Laker has one of its main engine factories, said he had written to Mr. Eric Varley, Industry Secretary, urging him to stop Sir Freddie Laker buying the U.S. engines.

"Sir Freddie has been given every assistance and help in spite of his attitude to the Govern-

ment, and the least he can do is to support a British product like Rolls-Royce engines," he said. Mr. Varley is unlikely to take action.

Laker Airways chose the French-German U.S. General Electric CF6-80 engine for its Airbus to meet a summer 1981 deadline when Laker plans to start operating the Airbus. Rolls-Royce said it would not be able to certify its RB-211 engine in the Airbus until a year after Laker's deadline.

Record £7,000 paid for military baton

TWO GOOD sales at Sotheby's yesterday netted some remarkable prices. An auction of medals and military awards, including a sword, a baton and a sword, totalled £104,618, with an auction record price of £7,000 for a field marshal's baton. Topographical paintings brought in £123,620, with a best price of £30,000, ten times the forecast. All prices carry a 10 per cent buyer's premium.

The baton had belonged to Lord Nicholson, who received it in 1911 and was bought by Spink for almost double the estimate.

The top price in the sale was the £14,000, double the forecast, for a group of Peninsular War medals and decorations which had been awarded to Lieutenant-General Sir John Rolt.

Maurice Sternberg, a Chicago dealer, paid the £30,000 for the First Hunt by Charles Russell, which shows an interior scene of an Indian tepee.

A copy of Chaucer's *The Canterbury Tales*, the first illustrated account of Columbus' journey to America and King Henry VIII's prayer book were three of 16 celebrated books and manuscripts sold at auction in Basel yesterday.

The works belonged to the American private collector Boies Penrose. Bernard Quaritch of London, made the top bid of the day, paying 180,000 Swiss francs (\$128,378) for the Chaucer copy known as the *Delamere manuscript*.

The illustrated Columbus account fetched 19,000 Swiss francs (\$12,837), three times its

estimated value and Henry VIII's prayer book 97,000 Swiss francs (\$65,940).

Jewellery sold at Christie's yesterday made £329,445, with less than one per cent unsold.

Christie's South Kensington branch brought in £55,374, with top prices of £1,900 for a Dutch marquetry chest of drawers and £1,800 for a French walnut armchair.

A sale of English and Continental ceramics at Phillips yesterday totalled £48,360.

Scientist warns on politics of uranium

BY DAVID FISHLOCK

URANIUM was the most politicised commodity in the world today, Sir Hermann Bondi, chief scientist at the Department of Energy, told a joint Anglo-U.S. nuclear conference in London yesterday.

What many countries feared was not that uranium would run out or become too expensive, but that "for other reasons it will become unavailable or available only at a price, financial or otherwise, that they would find hard to pay," he said.

Sir Hermann heads the team of top officials representing Britain at the International Atomic Energy Agency's 42-nation reappraisal of nuclear technology initiated by President Carter at the London Summit last year.

In what was a mid-term reappraisal of the world's nuclear energy resources, Sir Hermann said the world's nuclear energy resources were in a broadly similar direction.

Over-concentration on the un-doubted dangers of plutonium might divert attention from the "equally real dangers" of other parts of the nuclear fuel cycle, notably uranium enrichment and stores of spent fuel elements, said Sir Hermann.

Only through a combined attack on all aspects of the problem could the "spectre of proliferation" be kept at bay so that nations would not feel compelled for their own protection to take steps that "might enhance the very risks they are trying to avoid."

It was gratifying, said Sir Hermann, that the U.S. Government was investigating the control and safeguarding of all sensitive parts of the fuel cycle, not just plutonium.

Mr. Bondi and Mr. Varley, in agreement, said the U.S. spent \$300 million in the last two years on nuclear energy research.

Government, a senior U.S. Government official told the conference.

The contracts would involve the separation of about 75 tons of plutonium "or enough for about 10,000 nuclear weapons," said Mr. Victor Gilinsky, a commissioner of the U.S. Nuclear Regulatory Commission.

Mr. Gilinsky was speaking on nuclear proliferation at the joint U.S. Atomic Industrial Forum and British Nuclear Forum international conference on the nuclear fuel cycle.

Congressional hearings on whether Japan should be allowed to send spent nuclear fuel originally enriched by the U.S. Government to Windscale in Britain and Cap la Hague in France for reprocessing have just been postponed. Their hearings were to be held this week.

Mr. Gilinsky said the fuel was under the "putative control" of his government. Approvals for

reprocessing was subject to strict criteria under the new U.S. non-proliferation law.

This law treated Euratom as a single entity and allowed certain exemptions when U.S.-enriched fuel was being moved between EEC countries, but for other countries it was subject to a U.S. veto.

Britain and France, by going ahead with commercial reprocessing plans, had left the U.S. with three options. It could veto the full transfer and "pull the rug from under its close allies and friends."

It could accept defeat in its efforts to control reprocessing and the widespread use of plutonium before adequate international safeguards had been agreed.

Or, it could extend permission in certain cases, but place strict conditions on the return of plutonium to the nation owing

UK bolt producers seek import controls

BY JOHN LLOYD

ITAIN'S manufacturers of metal fasteners—the rivets, nuts, washers, bolts and the like—fear that their industry will suffer from severe competition and unemployment if fasteners from the Far East, and "fair trading" is ended within the European Community.

Many manufacturers believe that if action is not taken the standard types of fastener—such as the most common £400m UK market—will be largely imported in three or four years' time.

The British Industrial Fasteners Federation will present an eight-point action plan to the Government at ensuring their share of the UK market which is more than 85 per cent.

The key points in the programme are a call for "some controls on fastener importation from the Far East, which has been increasing rapidly, and obtaining the ability to compete on an equal basis with our European trading partners."

Imports of cheap, standard fasteners—especially from Taiwan—have increased sharply in the last four years. Last year, the European Commission ordered a 10 per cent duty on Taiwanese

fasteners, the first of its kind to be imposed. However, the federation says that imports from Far Eastern countries in the standard grades continue to grow. Imports from Europe are causing even more alarm among UK companies because the European manufacturers produce both the standard and the more sophisticated fasteners, and are doing so generally more cheaply than the British industry can.

The Federation blames its higher prices on those charged to UK manufacturers by the British Steel Corporation for their raw material, steel wire and rod. This is due in turn, the federation says, to the failure of the EEC steel crisis measures, the so-called Davignon Plan.

Delegation

It claims that European steel producers are selling wire and rod for prices up to 25 per cent lower than those charged by BSC. However, it says these producers will quote Davignon guideline prices when replying to queries from UK manufacturers.

The federation believes that the European steel producers will only cut prices for their own customers because of the risk of exposure of cut-price steel show up in official figures.

and also because they are consciously aiding their own industries.

It is seeking meetings with officials in the EEC Industry Commission, and in the Competition Commission, next month. Mr. Ken Perlow, the director of the federation, said that BSC supported the action, and that officials from BSC might accompany the industry's delegation to Brussels.

The federation points to the fastener industry in the U.S., which has been largely destroyed by cheap foreign imports, with the per cent of the domestic market now being taken by imported fasteners.

Mr. Trevor Foster, managing director of Rubery Owen Fastener Group, said yesterday that the UK industry could follow suit. "Unless something is done to stop unfair competition, the majority of standard fasteners will be imported in three or four years' time."

Standard fasteners account for about 80 per cent of the market in terms of volume, and 60 per cent in terms of value.

There are 75 companies producing industrial fasteners in the UK, with a workforce of about 40,000. The industry exports between £35m and £40m worth of its products.

Littlewoods pushes pre-tax profits up to £46.8m

BY DAVID CHURCHILL

THE LITTLEWOODS Organisation, the largest private company in Britain, yesterday announced sharp rises in turnover and profits for its stores and mail order retailing operations.

The company achieved retail sales of £632m in 1977, a rise of 22 per cent, and produced pre-tax group profits up by 26 per cent to £46.8m. But the true profitability of the retailing divisions is masked by Littlewoods refusing to say how much of group profits was due to its pools activities.

Under the legislation covering football pools, companies involved do not have to disclose profits so long as they do not exceed 3 per cent of turnover.

In the last football season Littlewoods achieved a turnover of £183m from pools, which suggests a profit level of just over £5m. But as this is not directly comparable with the 1977 financial year for the retailing side of the company, an accurate estimate of the group's retailing profits cannot be made.

Even so, the general increase in retailing sales and profits in 1977 are a measure of Littlewoods success during a period

of difficult trading conditions. The chain stores division, which now has 106 stores, achieved sales of £257m—up by 17 per cent—and increased its share of the market. Average High Street retail sales were about 14 per cent up during 1977.

The mail order division achieved its best ever year, with sales up by more than a quarter to £435m. The division publishes six mail order catalogues—Littlewoods, John Moores, Brian Mills, Burlington, Peter Craig and Janet Fraser.

Littlewoods which is owned by the Moores family, has continued its usual practice of retaining the bulk of profits within the group to finance future growth. Some £21.7m of the £22m profit available after tax in 1977 has been retained to finance new buildings and equipment.

Mr. Peter Moores, the group chairman, in a report to staff, criticised intervention in the retailing industry by both the UK Government and the EEC. "If many of the measures proposed by the European Commission are implemented, these will interfere significantly with the freedom of the retail trade," he says.

N. Sea crude oil production rising

BY KEVIN DONE

BRITAIN'S CRUDE oil production from the North Sea should exceed 50m tonnes this year, according to figures released by the Department of Energy.

Production last month totalled 4,967,775 tonnes, an increase of 48,225 tonnes over July. The average for daily crude oil production last month from the ten oilfields now on stream in the UK sector was 1,033,931 barrels a day. This compares with 1,022,328 barrels a day in July.

Production for the first eight months of 1978 totalled 32,916,509 tonnes. The UK is expected to reach self-sufficiency in crude oil late next year or early in 1980, when about 100m tonnes a year will be coming ashore.

This year's production should rise sharply again when Union Oil's Heather Field comes on stream. Oil from this field and from Dunlin Field is expected to start flowing into the Sullom Voe terminal in the Shetland Islands in October or November.

Production from the Norwegian sector of the North Sea for the first eight months of this year totalled about 19.2m tonnes of oil equivalent, compared with 18.4m tonnes in the same period last year.

Ford to invest £200m in UK on trucks

BY KENNETH GOODING

MORE THAN HALF the £400m Ford is to spend replacing its European trucks range for the 1980s will be invested in Britain. Sir Terry Beckett, chairman, made this clear when giving details of changes to Ford's "D" series and Transcontinental trucks which are announced today.

Commercial vehicles are now just as important to Ford as cars, he declared. In the UK this year Ford could still have a triple success and top the list for car, commercial vehicle and tractor registrations.

As far as commercial vehicles are concerned, "we want to consolidate this position in the UK and increase our share of the European market," Sir Terry added.

He revealed that Ford expects demand for trucks—commercial vehicles of more than 3.5 tonnes gross vehicle weight—to grow by 2 to 3 per cent a year after 10 years of relative stagnation. In Continental Europe truck sales, Ford knows it will not be easy to increase its market. But Sir Terry promised: "There will be some interesting developments from Ford over the next few years."

The £200m plus investment in trucks is part of the total £1,050bn programme for the UK announced by the group last May. Ford is considering postponing advertising the new trucks until it sees how seriously the UK strike might hit output.

'Too much paperwork' warning

BY MAX WILKINSON

COMPANIES need to develop disciplines to deal with the increased paperwork which will be produced by the next generation of automatic office equipment, a management conference told yesterday.

Mr. Peter Benstead, marketing director of TTT Business Systems (K), said the cost of generating and distributing all types of information was rapidly falling. But few companies had developed systems to deal with it. Information, a failure he believed threatened to clog up management effort.

He told the telecommunication managers' division of the Institute of Administrative Management in London: "I fear we have already entered an era where we will over-communicate. I believe we already have

some signs of what I would call information pollution—information of the wrong kind being sent to the wrong recipient."

Mr. Benstead said the development of communicating word processors, automatic typewriters which can store documents on magnetic tape and transmit them to similar machines—would give typewriters in the ordinary office the capabilities of telex.

Technically they are with us today, and in a marketing sense they will be big business within the next five years. "It will be possible very soon in any organisation to circulate any given memo to all other communicating word processors at the press of a few keys, without the hassle of copying or mailing," he said.

However, as the ability to

transmit information becomes cheaper and cheaper, the danger is that the ability to digest the information will become more expensive.

Managers therefore need to make a careful assessment of the inter-relationship of automatic systems, including computers and private automatic branch exchanges, along with secretarial and travel costs.

Mr. Benstead suggested that managements should appoint experts to advise on the possible trade-offs between different methods of communication.

To help this process he suggested that telecommunication managers' division should look at the possibility of setting up a new professional institute to be called the Institute of Information Managers.

£600,000 boost for Fife factory

BY RAY PERMAN, SCOTTISH CORRESPONDENT

NEW INVESTMENT of £600,000 to establish a high technology instrument manufacturing plant for the electronics industry, was announced yesterday by Mr. Kingman Brewster, U.S. Ambassador to Britain.

Speaking during a visit to Glenrothes New Town, Fife, he said that Brand Rex, an American Dutch company, which has a factory in Fife since 1972, hoped to break into a market worth £38m a year in Europe.

"The company predicts a tremendous impact on several markets, particularly where cables are used for military and defence purposes, on modern railway systems and in other situations where toughness and durability are of paramount importance," he said.

Part of the new development, which will create 20 jobs, over the next 18 months, will be a chamber with concrete walls 3 ft thick in which insulated cables will be passed through a beam of electrons.

The ambassador's visit to Scotland underlines the growing importance of U.S. investment. American owned manufacturing companies now employ 13 per cent of the total workforce and are valued by the Scottish Office and other national and local government agencies suggest that a new wave of incoming firms is possible in the next few years.

Glenrothes claims to have the highest concentration of American companies of any town in the U.K. There are now 14 U.S. firms in the town employing 3,000 people, many in advanced technology occupations.

Earlier yesterday Mr. Brewster visited the factory. General Instruments Micro-electronics, where he saw a new automatic telephone system developed by the company for Europe using micro-computer "chips" made in the town.

Our Welsh correspondent writes: The Welsh Development Agency has agreed to back the South Wales plastic carrier bag manufacturer with an investment of £150,000 in DB Plastics.

The company makes specialist polythene carrier bags for multiple retail stores, supermarkets and fashion stores, as well as for small market and general traders. It is to use the WDA stake, supplied in the form of a share and loan deal, to buy new machinery for increasing production to 0.5m bags a day.

Four new units

DB Plastics moved to the Bedwas Industrial Estate, Caerphilly, from London, two years ago, since when the workforce has doubled to 30 people.

In mid-Wales meanwhile, the WDA's country cousin, the Development Board for Rural Wales, announced it is to build four new factory units in Welshpool, Powys. They are due to be completed in about six months' time at a cost of some £750,000.

Mr. Peter Garbett-Edwards, the Board's development director, revealed that negotiations with a number of companies interested in occupying the new units are already under way. The aim is to provide up to 200 new jobs in the town.

Fire damage £5m down in August

By Eric Short

FIRE DAMAGE costs fell £5m last month compared with July, in spite of three major fires costing at least £1m each.

Figures issued yesterday by the British Insurance Association show that fire damage in August at £17.3m was £2.3m higher than in August last year and that damage so far this year at £186.1m is 28 per cent higher than over the corresponding period in 1977. However, the



value for January was affected by the fall end of the firemen's strike.

The three £1m fires last month were at an office equipment and electronic company in the South East and at a department store in the South. There were six other fires where damage exceeded £250,000 in each case. A further 65 fires costing less than £250,000 each, included 31 in cinemas, schools, shops, social clubs and theatres.

Fee-paying schools 'not only for the rich'

by Michael Dixon, Education Correspondent

SCHOOL EDUCATION authorities could make greater use of the private independent schools, says David Bagley, head of the Education Committee of the House of Commons. He said that the Government should consider the possibility of allowing fee-paying schools to exist to furnish segregated education for children of an affluent middle class, he said.

There were increasing opportunities through scholarships and assisted places for academically able pupils whose families could not afford the fees. The responsibility for creating widening gaps between the independent and the State schools education belonged not to the local authorities, but to the Government.

"Far more sensible would be policy of making some public schools of these existing centres of excellence," he added.

Mr. Bagley is head of Bolton boys' division which came independent in 1976 to old being merged into the comprehensive system.

Welsh company raises output

B. PLASTICS, a Caerphilly company, is expanding its plastic carrier bag production to 500,000 a day with the help of a Welsh Development Agency loan of £150,000.

The company claims to be the UK manufacturer in its field with photo-gravure printing facilities. It is using agency funds, supplied in a shares-and-a-deal, to buy extra machinery to increase production.

BSC to close Cumbria plant

British Steel Corporation's tin mill at Llowca, Cumbria, will close on October 6, though a year's notice had to be given, the company announced. It has negotiated an earlier closure, but the cost would be £300,000.

Reform of housing finance urged

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

FUNDAMENTAL reform in housing finance is urged in a pamphlet published yesterday by the Labour Economic Finance and Taxation Association.

The document supports the argument that reforms to public and private housing are a national priority which would also be electorally attractive. LEFTA is a forum for members of the Labour Party professionally involved in economics, finance and taxation. The latest pamphlet was written by Mr. Bernard Kilroy, a London housing officer.

Mr. Kilroy says that unless alternative solutions are worked out, the Exchequer faces a continuing rise in bill for housing assistance and tax relief which would mean higher tax levels to pay for them.

He also suggests that house price inflation will be higher than price rises generally, and that public sector housing will become even more of a "second best."

Among the alternatives is a

rethink of assistance in the private sector, largely along the lines advocated by the Labour Party. The pamphlet calls for mortgage relief to be phased out above the standard rate, and for the mortgage ceiling eligible for any relief to be lowered. It also says that relief for owners of long-standing should be tapered and that home owners should get relief on one mortgage only in their lifetime.

In the public sector, Mr. Kilroy calls for an extension of cross-subsidisation across local authority boundaries through national or regional rent pools. This reflects a similar proposal for "organic reform" in housing finance could lead to the housing sector as a whole becoming self-financing and so reduce the demands it makes on the rest of the economy "at a time when the economy needs all the resources it can get to renew its employment base."

Housing Finance—Organic Reform: LEFTA, 72 Albert Street, London NW1, EL.

Council attitudes 'limit success of housing law'

THE SUCCESSFUL working of the Homeless Persons Act has been severely limited by council attitudes towards the homeless, according to Roof, Shelter's housing magazine.

An article in the latest edition of the magazine says that many councils interpret their minimum legal requirements under the legislation as the maximum level of provision they must make. Some councils, it adds, react to new legislative requirements by seeking ways around them, and they must be persuaded "to accept the spirit of the Act."

Shelter says that two aspects of the Act have provoked council antagonism in some local authorities. The first is the clause which reduces a council's responsibility towards those it classifies as "intentionally homeless" and the second is the fear

of "outriders" would flood into their areas once the legislation was enacted.

The article says that while most councils have shown that neither of these factors need be a problem, others have persisted with wide definitions of "intentionally homeless" and in one case, domestic disputes—the main cause of homelessness. Others are mounting a campaign calling for the repeal of the Act, which they claim enables people from any area to get housing over the heads of the local population.

Mr. Ernest Armstrong, Parliamentary Under-Secretary at the Department of the Environment said recently that the Act which came into force last year, had "got off to a good start" with local authorities increasingly accepting responsibility for homeless people.

Solar experiment costs £64,000

A £64,000 experiment to test solar panels for domestic water heating has been started in East Dulwich, south London.

A terrace of 14 rehabilitated Victorian houses has been equipped with solar heating panels, as part of trials sponsored

by the Department of Energy to assess the potential of solar water heating in the UK.

The Government is spending £6m over four years to research the potential of solar energy as part of a £16m programme to develop alternative energy sources.

TI silencers factory to expand

TI CHESWICK SILENCERS is spending £150,000 on the expansion of its Risley, Warrington, plant which makes commercial vehicle silencers.

The investment will increase the plant's capacity by 30 per cent, bringing output of truck silencers to about 6,000 a week. The expansion is due for completion next year.

Big rise in food poisoning

FOOD poisoning cases in England and Wales doubled in the four years to end of 1976, according to the Environmental Health Officers Association's 1977 report.

Originally known as public health inspectors, the association's report says there were more than 12,000 reported cases of food poisoning in 1976, the last year figures were available. This reflects a similar worsening situation in other European countries, adds the report, published yesterday.

More than 70 per cent of the poisoning cases are related to Salmonella, and this percentage is increasing.

The report suggests that the Government should introduce a food protection processing order aimed at eliminating infected animal feeding stuffs.

It would also allow more attention to be given to removing and poisoning caused by bad handling techniques, reworking foods and inadequate storage problems, the report adds.

Environmental Health Report 1977, EHA, 10 Grosvenor Place, London, SW1, EL.

Syndicate will underwrite machinery

A NEW LLOYD of London underwriting syndicate has been formed to underwrite machinery insurance business at Lloyd's. The syndicate, which will consist of at least 100 members has been launched by A. B. Dick-Clelland (Underwriting Agencies) and Horncastle, Crawford and West. It will start operating next January.

APPOINTMENTS

Strategic planning director for Plessey

Mr. K. Fearnside has been appointed director of strategic planning of THE PLESSEY COMPANY. He will be responsible for giving increased emphasis to his duties on the Gaming Board for the period of the Tribunal of Inquiry into the affairs of the Crown Agents, of which Lord Allen is also a member. Sir Roger has been last year as chairman of P. E. International, the management consulting group. He is author of a Pelican book "The Business of Management."

Mr. Hugo Meynell and Mr. Graham Billington have been appointed directors of the ECONOMIST NEWSPAPER. The chairman of the Economist has appointed Sir Campbell Fraser (chairman, Dunlop Holdings) as a trustee in succession to Lord Snelgar, who has retired after serving for 25 years.

Following the death of the chairman and chief executive of the SHEPHERD TWIST DRILL AND STEEL CO. Mr. Norman H. Waple, Mr. J. L. Dickinson, hitherto deputy chairman, becomes non-executive chairman of the company. Mr. Nils Mitholch, managing director of SKF Tools AB, Sweden, becomes deputy chairman with certain executive responsibilities, particularly in connection with the co-ordination of SKF Group cutting tool facilities. Mr. K. G. C. Clephane becomes managing director and chief executive.

CITIBANK'S investment management group has appointed Mr. Stanley Lyons and Mr. Anthony Regan as vice presidents in the group's London office.

Mr. Robert G. Lanyi will join the Board of PACOL on October 1 after two years' service with an additional member and deputy chairman of the GAMING BOARD.

The Home Secretary has appointed Sir Roger Falk to be an additional member and deputy chairman of the GAMING BOARD.

for Great Britain. This additional appointment is being made to enable Sir Roger to assist the chairman of the Gaming Board, Lord Allen of Abingdon, with his duties on the Gaming Board for the period of the Tribunal of Inquiry into the affairs of the Crown Agents, of which Lord Allen is also a member. Sir Roger has been last year as chairman of P. E. International, the management consulting group. He is author of a Pelican book "The Business of Management."

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Many traders 'failing to declare full VAT'

BY DAVID FREUD

ABOUT A THIRD of registered traders under-declare their VAT liability by an average of more than £500 a year, according to a study by the Customs and Excise. The study, which is being published in a condensed version of its general guide next year dealing only with the points of interest to the average registered trader. The more specialist aspects would be dealt with in other leaflets.

The department was also thinking of introducing a brief booklet for the new trader who had many problems to cope with besides VAT.

Work starts on £8m factory

AN £8m ENGINE maintenance centre being built for Caledonian Airways—parent company of British Caledonian—near Prestwick Airport, Ayrshire, could provide 1,200 jobs by the end of the 1980s. Mr. Adam Thomson, chairman of the company, said yesterday. Opening the construction work, he said that as well as overhauling turbofan jets for British Caledonian's DC 10s, the factory would seek maintenance contracts for other airlines operating DC 10s, Boeing 747s or A300 Airbus, which use the same engine.

The Scottish Development Agency is making a £3.5m secured loan towards the project and the Government is contributing £1.5m in regional development grants. The new factory will start operating in 1980.

UK footwear industry buoyant

BRITISH footwear manufacturers' deliveries in the first half of this year, at about 75m pairs, were about 6 per cent lower than in the same period of 1977, according to the British Footwear Manufacturers Federation. Imports, remain at about 43 per cent of the market.

The federation said that employment had remained stable in the industry, with the numbers on overtime far exceeding those on short-time working. The value of retail sales was still very good, it said.

and members of the Gill and Dufus Group.

Mr. J. Peter Gordon, chairman and chief executive officer of The Steel Company of Canada, has been elected to the Board of GULF OIL CORPORATION.

BENN BROTHERS has changed roles for two of its directors, effective from October 1. Mr. John V. Wilson, at his own request, is giving up day-to-day responsibilities for finance and management to become more involved in development of the group's book publishing interests. He continues as chairman and managing director of Tollev Publishing Co. and as finance director of BFG Chemical's international department, replaces Mr. Strone. He will be located in the division's Cleveland, Ohio, headquarters.

Lady Tavistock has been appointed a director of ASTON MARTIN. She became a design consultant to the company earlier this year.

Mr. M. Brayley has become general sales manager at JOHN PLAYER AND SONS.

Mr. Brian Goulding has been appointed Lloyds Bank Group representative with LLOYDS BANK CALIFORNIA. He will be based in Los Angeles. Mr. Goulding was formerly general manager of Lewis's Bank, the in-store subsidiary of Lloyds Bank.

Mr. Bruce Omand has joined the REX STEWART GROUP of advertising, marketing and public relations companies as a consultant. Within the group he has also been appointed a director of the D. C. Cuthbertson advertising agency.

Mr. W. F. Castle, director (engineering), Cyproplants, has been elected chairman of the IRONMAKING AND STEELMAKING PLANT CONTRACTORS' ASSOCIATION. Mr. J. A. Lowe, department later this year. Mr. Ken H. Lee, Jr. will succeed Mr. Robert P. Kenney as vice president of BFGOODRICH ASSOCIATION. Mr. J. A. Lowe, department later this year. Mr. Ken H. Lee, Jr. will succeed Mr. Robert P. Kenney as vice president of BFGOODRICH ASSOCIATION. Mr. J. A. Lowe, department later this year.

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LABOUR NEWS

Unemployed men face 17-week hunt for jobs

BY PHILIP BASSETT, LABOUR STAFF

NEWLY-UNEMPLOYED men must expect to remain jobless for an average of 17 weeks, according to a Department of Employment study.

The Department says the trend of the expected length of unemployment is rising, despite being marginally better in January-April this year than for the last four months of 1977.

Figures for women, which for the first four months of this year showed an expected 12 weeks on the register for the newly-jobless, are lower overall. But they follow the same trend.

The figures give some support to the view, widely held on the Left, that unemployment is becoming long-term or structural rather than following the cycles of economic prosperity.

The latest figure for the expected length of unemployment is about five weeks higher than the average figure for 1977. The first year looked at in the Department's study, the lowest expected term of unemployment was nine weeks in 1974.

The study, published in the Department of Employment Gazette, says the underlying trend in long-term unemployment for all sex and age groups has been upward since 1972. Long-term unemployment is linked to the unemployment

level, but lags behind it. The level of unemployment and the median duration of current unemployment were falling in the last six months of 1977, for example.

The median duration of long-term unemployment continued to fall until early 1978 and then started to rise, even though the unemployment level began to climb in early 1978.

Men are unemployed longer than women. In July 1978 the median length of current unemployment for all ages was 19 weeks for men and ten weeks for women.

Length of unemployment increases rapidly with age. In July 1978, the median length for men aged under 18 was four weeks. For men aged between 35-44 the figure was 27 weeks, and for men between 60-64, 48 weeks.

Length of unemployment tends to be higher in regions with higher jobless rates. In July 1978, the median length for men in the South East, with the lowest unemployment rate in the country at 5.4 per cent, was 19 weeks.

For men in the same period in the North region, with the highest unemployment rate of 8.8 per cent, the median length was 21 weeks.

Fewer strikes, but days lost up 29%

BY PHILIP BASSETT, LABOUR STAFF

THE NUMBER of strikes fell these industries was 34,000, or marginally last month, though about 0.7 per cent of the total, the number of working days lost each week losing an average through stoppages rose by 29 per cent of 20.8 hours.

Stoppages which began in August totalled 129, with another 53 still in progress at the beginning of the month, according to provisional figures in the Department of Employment Gazette.

The total, which involved about 72,000 workers, a 2.7 per cent fall from the previous month's figure, is in line with the general downward trend this year.

It is the lowest monthly total for 18 months, barring the figure for December which is always lower because of the Christmas holiday period.

Among the prominent stoppages for the month were: a dispute involving 1,500 machinists over pay at Leyland Vehicles Bathgate plant; a strike over re-grading by 780 maintenance men at the Perkins diesel engine plant at Peterborough; and an eight-day stoppage at Southampton Docks over safety procedures which involved about 1,500 dock workers.

Working days lost due to stoppages in August totalled 2,570, moving up again from the 2,488,000 low for the year in July. Pay was the cause of more than half the stoppages.

The number of workers in production industries rose in July over the June figure, but was still lower than the total for July last year.

The number of employees in industries covered by the Government index of industrial production was 9,095,500, up 37,300 on the previous month, but still some 60,500 lower than in July last year.

In the week ended last July 8, the estimated number of employees working overtime in manufacturing industries was 141,700, about 34.8 per cent of the total. Each worker clocked an average of 8.8 hours overtime in a week, giving a seasonally adjusted total of 15,720 hours overtime worked.

In the same week the estimated number on short-time in

Pay sanctions threat to local authorities

BY PAULINE CLARK, LABOUR STAFF

LOCAL AUTHORITY employees, who have been told by the Government that a 12.5 per cent pay rise to chief officers and executives is in breach of pay guidelines, may have to pay the full cost of the settlement.

The Department of Environment said yesterday that a withdrawal of the usual government contribution to annual pay settlements for this group was being considered under the Government's current policy for taking sanctions against employers who refuse to keep in line with pay policy.

Employers of the 5,000 top local government employees have already twice written to Mr. Peter Shore, Secretary for the Environment, rejecting his appeals for a renegotiation of the July Phase Three settlement. But no final decision has yet been taken on how the Department will respond.

The problem comes as some-

thing of an embarrassment to the Government at a time when unions representing some 1m local government manual workers are preparing for a major assault on its new 5 per cent pay policy.

But employers' representatives on the Local Authority Conditions of Service Advisory Board are clearly hoping that they have not long enough, the Government will be far too busy defending its new policy against the manual workers' 60 per cent total claim to make an issue of a small and, in their view, questionable infringement of the old 10 per cent guidelines.

Warning

Mr. Shore has, however, made it clear to the local authority employers that action is being contemplated. In a letter to the board he warned that if they were not prepared to renegotiate

he would have "to take this into account" when considering the size of rate support grant to be paid under the increase order later this year.

The letter specifically referred to a proposal to withdraw some £3m from the total contribution "that would otherwise be determined" — a figure which represents around 61 per cent of the total bill for a 10 per cent pay increase at the normal rate of Government contribution.

The local authority employers have argued that a renegotiation of the settlement would upset their white collar pay scales and that their top employees have received no more than the Phase Three increase awarded to senior civil servants.

At the same time they are under little financial pressure to renegotiate the deal. An extra £3m can probably be easily absorbed into their total wage bill of some £25m.

Bank ballot over Christmas working

BY OUR LABOUR STAFF

THE EXECUTIVE of the National Union of Bank Employees decided yesterday to ballot members on its recommendation that bank staff work at noon on the last working day before Christmas.

The union recommendation opposes the banks' intention this year of operating normal banking hours on Friday, December 22.

The ballot is to be carried out among 14,000 NUBE members in four regions, although a decision to stop work at noon would apply nationally. Union officials say an initial survey of its members' reaction indicated that the recommendation would be overwhelmingly supported.

The union says that by custom and practice its members are entitled to 45 day holiday over Christmas, including half a day on the last working day before Christmas. The banks say the half-day concession applies solely to Christmas Eve, if that happens to be a working day.

Last year, however, the banks closed at noon on the Friday before Christmas, even though it was not Christmas Eve. This, they say, was a deviation from normal policy and not a precedent.

BIM not sole voice of managers—union

BY OUR LABOUR STAFF

THE ENGINEERS and Managers Association has written to Mr. Denis Healey, the Chancellor, challenging a claim by the British Institute of Management to be the sole organisation representing managers in their relations with Government.

Mr. John Lyons, the association's general secretary, says the most pressing need is for a politically unaffiliated union to negotiate and speak for professional and managerial staffs and represent their interests as employees in industrial democracy.

"The BIM can do none of these things," says Mr. Lyons. "We do them all. Our aim is to unite professional and managerial staffs across British industry so that they become a really influential body in all matters that concern their interests."

Mr. Lyons, who is engaged in a fierce battle to represent managers in engineering, says the proper roles of the BIM and the association were complementary, not antagonistic. He endorsed most of the aims set out in this year's BIM manifesto.

Gas men reject action

BY OUR BELFAST CORRESPONDENT

ABOUT 800 GAS workers in Ulster have decided against taking industrial action in pursuit of their campaign to have natural gas piped to the province.

They rejected a recommendation from shop stewards that they should begin a series of lightning strikes. Employees of the gas undertakings have been calling for some time for the construction of a pipeline from Scotland to Ulster to carry North Sea gas.

Their argument is that the cost of gas in the province is three times as high as in Great Britain. The Northern Ireland Economic Council is soon to announce proposals about the future of the gas industry. Its recommendations are already with the Government.

Honeywell plants to vote on pay strike

By Roy Parnian, Scottish Correspondent

WORKERS AT Honeywell's two Scottish plants will be asked to vote on a pay package which would give extra earnings well above the Government's 5 per cent limit.

They have already given the management formal notice of strike action from tomorrow, but this is likely to be withdrawn until a meeting of the 1,500 workers can be held.

The company said last night that the deal had been submitted to the Department of Employment.

It involves 5 per cent more on basic rates, a self-financing productivity arrangement, which will be paid in arrears, and extending to the attendance bonus scheme which has already cut absenteeism from about 14 per cent to 7 per cent.

Union leaders of 700 maintenance workers employed by the Greater Glasgow Passenger Transport Executive issued formal strike notice yesterday after rejecting a 5 per cent pay offer.

A further meeting will be held between the unions and the management before the strike notice is due to take effect next Wednesday.

The men are claiming £10 extra on basic rates, a 35-hour week and other benefits.

Teachers seek role in courses

By Our Education Correspondent

STRONG UNION influence in the planning of courses in polytechnics and further education colleges is demanded today in a policy statement by the National Union of Teachers.

The statement broadly supports the Government's plan to set up a new national body to co-ordinate state higher education outside the universities.

But the union opposes the Government's proposal to choose the right to 10 "academic" representatives on the new body.

'Hostility pay'

WHITE-COLLAR civil servants working at the Windscale atomic plant in Cumbria have been awarded a hostility allowance for working there to bring into line with the industrial civil servants at the plant.

Existing rules adequate — AA

BY MICHAEL THOMPSON-NOEL

WOUNDED AND possibly bewildered, the Advertising Association was quick to respond to comments earlier this week by Roy Hattersley, the Prices Secretary, who told a trade conference that the Government was considering legislation against advertising which failed to observe the industry's voluntary code of practice and suggested that the time might have come to force advertisers who deceive the public to issue corrective advertisements.

The AA reckons that existing sanctions are adequate in most instances, "although we are prepared, in conjunction with the Advertising Standards Authority, to consider additional powers to deal with the pirate fringe. It is worth remembering, however, that the Director-General of Fair Trading already has extensive powers in this area and it should first be explored how these might be brought to bear for the purposes of the ASA."

The association said it was pleased to agree with Mr. Hattersley in condemning the EEC Commission's proposals for a uniform system of legal control throughout the Nine.

But it doesn't care for the concept of corrective advertising, "in those countries where it exists as a sanction, in particular the U.S. and France, it has been found largely ineffective in practice from the consumer's point of view, and although it may appear to present a useful deterrent to misleading advertising, it is unsuitable in the vast majority of cases where there was no intent to deceive, and ineffective for use against a deliberate one."

"Contrary to his reference to an 'obsession with marketing', we believe that British industry has still a long way to go before it has a full understanding of the vital necessity of effective marketing as a means to industrial regeneration. We question whether the tone of Mr. Hattersley's speech does much to support the Government's industrial strategy."

"For instance, his reference to advertising in relation to com-

petitive efficiency makes no mention of the part which home marketing can play in means to import substitution, increased exports, or as a stimulus to product innovation for the benefit of consumers and industry alike.

(Familiar territory, this, but let us continue.)

"The advertising business has always accepted its full share of social responsibility and recognises the problems of vulnerable and susceptible groups. Indeed, this issue is specifically covered in the Code of Advertising Practice which is under continuing review to meet changing public opinion on this very important subject."

Quite reasonably, the association does not at all welcome Mr. Hattersley's foray into recent reports by the Price Commission — the report on the proprietary medicines market and the one on Southall of Birmingham.

"It is, however, Mr. Hattersley's comments about advertising expenditure in general, which the industry finds particularly difficult to understand. The idea of an advertising tax, for instance, has now been so effectively rejected that we are surprised Mr. Hattersley has chosen to raise it again. As he himself implies, its inherent dangers make it wholly impractical."

"In the same way, we totally reject the idea of an 'investigatory' authority to examine advertising expenditure and evaluate its social and economic consequences. It is difficult to understand who, apart from manufacturers themselves, might be in a position to be a company's advertising budget or who is qualified to pronounce on the social aspects of advertising."

"We would suggest that most consumers are looking for less rather than more Government intervention in their lives. Marketing people also believe that the ultimate choice must be left to the consumer, who also will decide what products to buy or not to buy."

Bank booklet for the blind

A BOOKLET for the blind has been produced by Lloyds Bank. The booklet, called Managing Your Money, has been printed in Braille, and large print for the partly-sighted.

It is the result of studies by the Warwick Research Unit for the Blind and is available free of charge from Monica Brett, Public Relations Department, Lloyds Bank, 11 Lombard Street, London, E.C.4.

NALGO backs stoppage by social workers

BY OUR LABOUR STAFF

SOCIAL workers, who marched through London yesterday to back their claim for local bargaining rights, were assured of full support for the strike from their union, the 710,000-strong National and Local Government Officers' Association.

The assurance was given to a strikers' delegation by Mr. Geoffrey Drain, the association's general secretary.

Several hundred London social workers joined the one-day strike called by the All-England Social Workers' Action Group, including strikers from Southwark and Tower Hamlets where industrial action was started about six weeks ago.

A similar protest by social workers in the north of England and Scotland was staged in Newcastle-upon-Tyne, Liverpool and Leeds.

Mr. Drain, who had already visited the picket lines in Tower Hamlets and Southwark before yesterday's strike and planned to see the Newcastle strikers next week, told the delegation the union's policy was that it would not negotiate with the employers nationally for improved social workers' conditions.

"Local negotiations are the only way in which local circumstances can be recognised and the employers' association should release its constituent local authority members and allow them to undertake local negotiations."

He added that the association's activities would be extended as

Bonus plan at Raleigh

BY OUR LABOUR STAFF

TI RALEIGH Industries is introducing a bonus scheme for its 9,500 manual and white collar workers based on output related to the total workforce.

The company said yesterday that at the present rate of increase, the bonus scheme would amount to about one week's pay for each employee every six

months. First payment is due before Christmas if productivity targets are met.

The bonus scheme is separate from annual wage negotiations in the company, which manufacture bicycles, components and that at the present rate of increase, the bonus scheme would amount to about one week's pay for each employee every six

Long-haul flights cancelled by British Airways

BRITISH AIRWAYS yesterday cancelled nine long-haul flights claiming it should have been after a walk-out by engineering tradesmen working on Boeing jetliners at London's Heathrow Airport.

The stoppage began when men work after a meeting with management.

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The Marketing Scene

Pal and Persil on the mind

MISS X writes: "I am soon to be married and want to do things right. I'm going to use Persil now that I know leading manufacturers recommend it."

Mr. Y: "I must confess I have occasionally bought other brands but now that I know PG Tips tea bags are the biggest I will buy them regularly."

Mrs. Z: "I don't own a dog but my Pal and will continue to do so because my cat Suzy loves it more than most cat foods."

The above quotations are all taken from entries in the first TV Tag competition run by the Newmedia company. The competition, with a top prize of £15,000 cash and 2,000 others of £5, is open until November 1 to readers of the Yorkshire and TV Area editions of last week's TV Times.

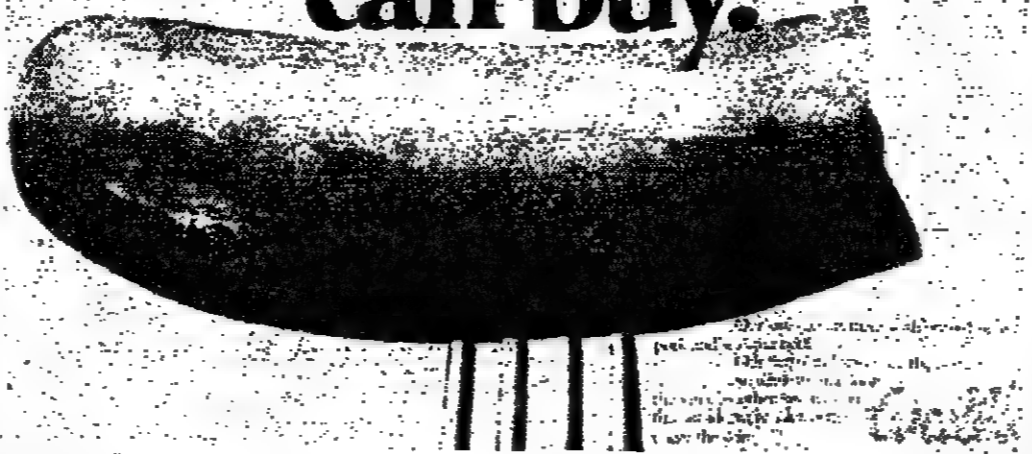
An eight-page section in the TV Times contains ads for six products—the three already referred to—Danish bacon, joints, lacinated toothpaste and Revels chocolates. Competitors have to answer four questions about each product, of which three are opinion questions related to the product, e.g. "Why do you think that Persil Automatic should be used in your automatic machine?"

The fourth question in each case is a factual one about the TV advertising for the product. To win a prize, readers have to now what is in the commercials and write a satisfactory reply to the question. This section is to say in no more than 25 words how something they have learned about one of the products will help them in their weekly shopping in future.

As can be seen from the sample replies, not all competitors seem to understand the question properly, but all write about the advertised products with an enthusiasm worthy of professional copywriters.

The whole point of the competition is, indeed, to foster such enthusiasm. Unlike other promotional competitions linked directly to purchases of the products promoted, the TV Tag competition is expected to boost sales among the participating clients.

The best mummy can buy.



THE GREAT sausage fight-back continues. Wall's, easily the brand leader, is ploughing £200,000 into a national magazine campaign this autumn, built upon the theme: "The Best Mummy Can Buy." In addition, the Wall's brand will be supported throughout October and November with national money-off promotions and coupons on all top-selling lines, writes Michael Thompson-Neel.

Wall's is certainly making the running in what is a fast-growing market. At present it is worth around £250m at retail prices, compared with £180m two years ago. Within the total market, sausage sales via grocers have improved from £80m to £115m. In volume terms the market has grown by 8 per cent but grocers' sales have shot ahead by 15 per cent—helped mainly, says Wall's, by its own aggressive marketing and retailer support.

In particular, Wall's has worked hard to help grocers

Beverages: the demand curve that soured

BY HAROLD LIND

ANYONE WHO has been exposed to economic theory will remember the demand curve. It is that delightfully simple line on a graph which shows the effect of a price change on the amount of a product purchased. If we wish, we can even measure the slope of this line and talk learnedly about price elasticity of demand.

When we go into the real world, of course, we find that life is not that simple. Most price changes in a short time period (say a year or less) are relatively small, and tend to get lost among all the other price changes taking place in a market. But in the last couple of years, students of the demand curve ought to have had a field day.

In the period 1975-77 the price of two key commodities on everybody's shopping list, tea and coffee, increased by 115 per cent and 104 per cent respectively according to AGB figures derived from its TCA consumer panel. Increases of this nature are not so small as to be swamped by the "noise" of other price rises; equally the products concerned are not so marginal to consumers' interests that they can

be ignored easily.

Thus a close examination of the effects of these massive price increases on demand for tea and coffee could be expected to produce some fascinating insights of the demand curve in its native habitat. And so it does. But as with so many other statistics of the wild, the demand curve when inspected closely proves to be far more complex than might have been expected from what could be described as the Walt Disney approach.

The table shows changes in price and volume of tea and instant coffee bought each year since 1973. At first sight the picture appears clear. Coffee was on a rapidly rising market in volume terms until its price went through the roof in 1977, after which its volume sales sagged, thus demonstrating that demand curves do indeed slope downwards. Further, the fact that volume of coffee bought fell by only 17 per cent in a period when price was rising by over 300 per cent suggests what we would have guessed in any case: that demand for a beverage such as coffee is relatively inelastic.

The position for tea looks equally simple. The volume of tea bought had been declining slowly for a number of years, but when the price of tea also went through the roof in 1977, the downward trend in demand steepened only very slightly. Thus we might see tea as a commodity with an extremely low elasticity of demand, much lower than that for coffee.

This application of demand curve theory to the real world looks plausible, but a closer examination of the figures, which are available monthly as well as annually and also for countries other than Britain, suggests to me that the

TEA AND COFFEE (1973-1900)

	Price	Volume	Price	Volume
1974	109	184	110	98
1975	122	109	123	94
1976	169	107	141	93
1977	322	83	269	88

Source: AGB-TCA

that in the period from 1975 to 1977, at a time when prices rose by 87 per cent, volume bought rose by 143 per cent. We may have heard that the Swedes are a gloomy nation, though positive revelling in massive price increases seems to be carrying maochism too far. But looking at the figures for ground coffee clarifies the position. Prices in that market went up by 150 per cent, while volume fell by over 20 per cent. Instant coffee had a relatively small market in Sweden, and was always cheaper than ground coffee. Its price increase was large in absolute terms, but seen as a substitute for ground coffee it looked a tempting cheap alternative. The same thing on a somewhat lesser scale happened in France.

This article is not designed to treat the question of price elasticity and substitutability in the beverages market in any kind of depth. For instance I have carefully not covered the question of consumers postponing or advancing purchases because of expected future price changes—one of the major reasons why most statistical treatments of demand do not get very far. The purpose here is merely to show that even in the most clear-cut case of major price increases in a very fully documented market, severe problems of interpretation arise even for experts in the markets concerned.

One is merely left wondering by what divine guidance government bodies such as the Monopolies Commission or the Prices Commission can make such categorical pronouncements about the effects of competition and the justification for price rises in far more complicated and less well documented market situations than the recent one for the beverages.

Can the Star shine?

EXPRESS NEWSPAPERS is taking a big financial risk with the Daily Star, to be launched next month, but knowing this, the Express management must be confident of success and the new daily cannot be underestimated, says Young and Rubicam in its latest media bulletin.

The Star will at first be published in Manchester with an initial circulation target of 1.25m; thereafter it will aim for full national distribution by next January or February, says Y and R. With a minimum circulation of 2m—a figure which the agency thinks Express Newspapers will not sustain unacceptable medium-term losses, says Y and R.

All newspapers are becoming increasingly dependent on cover price rather than ad revenue and to remain viable the Star would have to plan to raise its cover price fairly soon after getting established, thus losing one of its key volume-building advantages. (The Sun, with all its promotional clout and editorial novelty, took three years to reach 2.5m in a less competitive market and from a base of 300,000.)

The hint (from informed sources) that the Star may print in London makes sense. The Express probably has spare capacity and the chances of a Northern-oriented paper making headway against the Sun/Mirror/Express in the South are remote.

After totting up its own estimates of the circulation and readership of the four existing morning tabloids in the Star's chosen launch area, Y and R says: "Given the estimated circulation for the Sun/Mirror in the Midlands/North of 4.5m, the Star's target of 1.25m means it must secure 28 per cent of the Sun/Mirror circulation. If, realistically, we include the Express in the Star's principal competition, then it will need to secure 22 per cent of the combined circulation of the three papers."

The Star's 6p cover price is certainly competitive, says Y and R, but the chances of generating the extremely ambitious target circulation at a higher cover price would have been remote anyway in the face of the entrenched positions of the Sun and Mirror and the combined promotional muscle of both.

There are, however, two factors which may minimise this price advantage. First, the Mirror and Sun at 5p and 7p respectively have much more attractive trade margins, so the Star, particularly in relation to the Mirror, is not very attractive to retailers.

"Second, there is evidence to show that habit and product preference are much more important than price alone. The Mirror's circulation has been remarkably resilient to the 1p (and 2p) price advantage of the Sun. Nevertheless, the Mirror

is more vulnerable to the Star than the Sun, particularly in the Midlands where the Mirror is weak."

The 6p cover price also means the new paper must succeed in reaching its circulation targets quickly if Express Newspapers is not to sustain unacceptable medium-term losses, says Y and R.

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ITT made a great name for themselves on Southern.

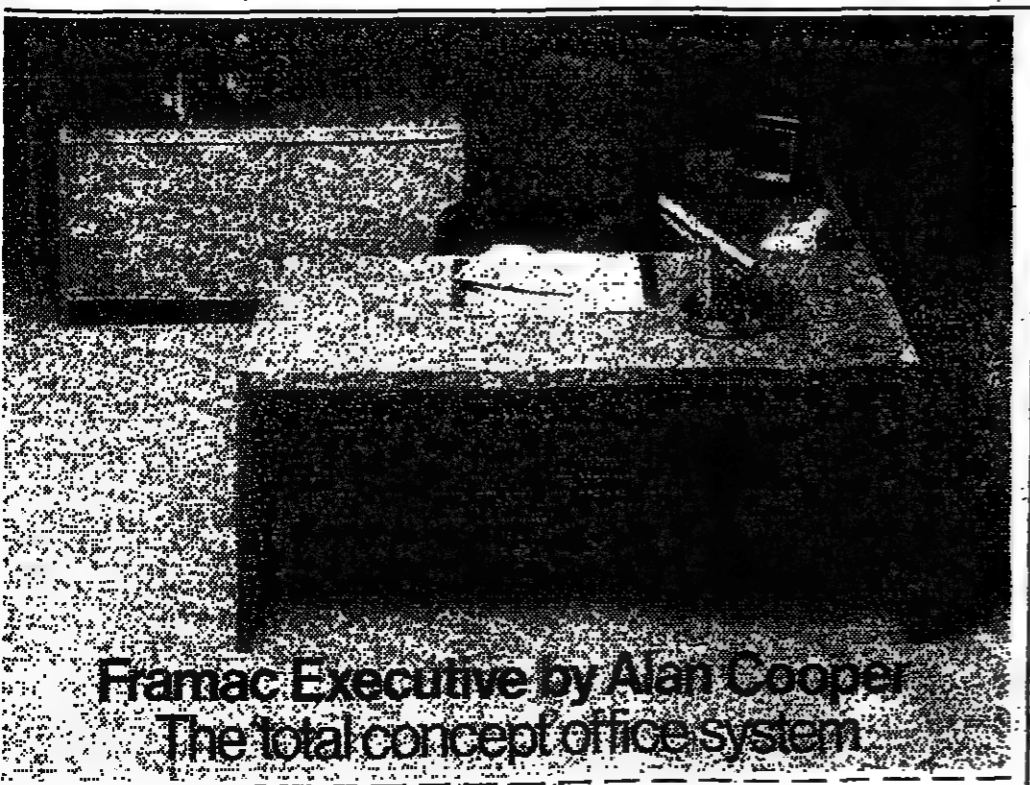
Awareness of ITT rose dramatically after their corporate campaign on Southern Television.

ITT took 81 spots on Southern during their 1977 corporate campaign. The 60 second commercials were designed to show the company's wide range of activities. The message was one of quality, reliability and responsibility. The target audience was the entire public, whether as consumers, employees, shareholders or opinion formers. Results were dramatic and lasting. Awareness had increased from 55% in mid-1977 to 73% in mid-1978 and the overall opinion in favour of the company rose considerably.

Further proof of the power of television for corporate advertising. *MAAS

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THE SUNDAY TIMES
THE SUNDAY TIMES magazine

Saturday night on Sunday morning

Video cassette recorders set you free from TV timetables. That's why video taping is fast becoming a billion dollar business in the United States.

Over here, the idea's still quite new. So many people don't realise that all video tape recorders are not created equal.

Sometimes, the taped picture quality leaves a lot to be desired. Or the tape runs out ten minutes before the end of the programme.

In fact, it takes a very special recording system to give perfect picture quality plus adequate recording time. The Matsushita group's VHS is such a system.

That's why VHS has been taken up by most of the big TV manufacturers in the United States and Europe.

Our record in TV is impressive. We brought out a set with a screen the size of a postage stamp in 1969. And the world's smallest colour portable in 1972. Our famous "Magic Line" tuning came

in 1952. Total worldwide production to date: over 50 million sets.

Technics, one of the most innovative hi-fi makers in the world, is a sister company.

Their direct-drive quartz-locked turntables and tape decks are noted for superb sound and utter reliability.

Without all this experience in the TV and audio fields, VHS video tape recording would probably still be on the drawing board.

Instead, it's here on the market. The Panasonic NV-8600 is built to last. It has a die-cast chassis instead of a flimsy stamping. And the video cylinder motor is, of course, quartz-locked and direct-drive.

Naturally, the 8600 has a built-in digital auto-timer. You can preset it to automatically record a programme on one channel while you're watching another. Or even to record while you're not at home.

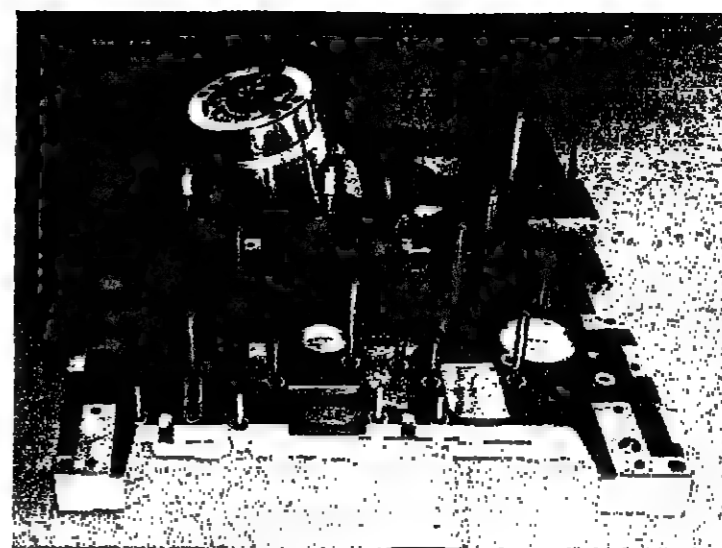
A whole film easily goes on one 3-hour VHS cassette. Including the last ten minutes when Dracula is tracked down to the lonely churchyard.

After a bit, you'll probably want to add the portable video camera. Then family events like Christmases and birthdays will become a treasured part of your growing video cassette library.

Panasonic is part of Japan's biggest consumer electronics group—Matsushita Electric.

We got where we are today by bringing people what they want. Like the freedom to spend Saturday night on the town and Sunday morning watching Match of the Day.

The NV-8600 can be used with any good colour set. But our new TC-2203 with "Magic Line" tuning forms the ideal combination. Prices, inclusive of VAT and correct at time of going to press: NV-8600, £750; TC-2203, £399.50.



The 8600's aluminium die-cast chassis and quartz-locked, direct-drive video cylinder motor.



N Panasonic

National, Panasonic and Technics are the brandnames of Matsushita Electric.



For a free full-colour VHS leaflet, send this coupon to National Panasonic (U.K.) Ltd., 107/109 Whitby Road, Slough, Berks. Tel: Slough 27516.

Name

Address

ENERGY Batteries of double power

RESEARCH WORK aimed at making a new type of electrode to improve the efficiency of batteries is in progress at Inco Europe's Research and Development Centre in Birmingham.

The International Power Sources Symposium, held this week in Brighton, UK, was told that electrodes made in accordance with this new method and called Controlled-Micro-Geometry (CMG) electrodes can provide a highly regular distribution of very small holes in a relatively thick plate of battery active material and conducting support.

This ensures that the current flowing through the battery electrolyte has easy access to every particle of active mass in the battery. In conventional types, whatever the electrode chemical system, e.g. lead-acid, nickel-iron, nickel-cadmium, the internal structure of the electrode is not nearly so well controlled and so, in comparison, the active mass is not so efficiently charged or discharged.

At the same time, in CMG electrodes the weight of metal required to support the active mass, and conduct the current to or from it, is much reduced compared with conventional types. Furthermore, with CMG it is readily possible to vary the diameter, spacing and depth of the holes independently—something not possible with other types of construction. This permits the design of electrodes to be optimised for particular applications, e.g. capable of being charged and discharged at significantly higher rates than is the case with conventional electrodes.

CMG electrodes are made first by electrodepositioning nickel to form a sheet less than 0.0002 in. thick. This is perforated by electrochemical etching to create a regular pattern of closely spaced holes, each around 0.03 in. diameter. The perforated sheet is coated on one or both sides with a relatively thick layer of active chemical in such a way as to leave the holes clear. The total coating thickness per foil may be up to about 0.008 in. A number of pieces of coated foil (up to 60 or more) are stacked with the holes in close register. The stack may be pressed to consolidate it, and it is then welded along one edge to provide an electrical connection between the nickel sheets and the terminals.

Thus, the concept being investigated is to produce a battery capable of storing up to twice as much electricity as a conventional battery of similar weight. Alternatively, of course, a CMG battery of half the weight of a

conventional one could store as much energy.

If weight is not the foremost consideration, the high-rate charge and discharge capabilities may be turned to good account in the construction of emergency, stand-by and aircraft starting batteries.

The CMG concept has been tested to date in the construction of electrodes of nickel, of iron and of cadmium.

Manufacture of such CMG electrodes should lead itself to highly-automated methods of construction with consequent cost economies, but the manufacturing plant for this purpose has yet to be developed.

Much laboratory work remains to be done before the concept can be applied by battery manufacturers, the company points out.

But indications are that the concept offers battery manufacturers a prospect, in the longer term, of producing substantially improved products for industrial and commercial battery users.

Applied to city transport units, such batteries could provide a doubling in the operating radius without any need to alter the vehicle or motor design.

Patent and know-how licences are available from Inco Europe, Thames House, Millbank, London SW7 4QP. 01-634 3888.

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SECURITY Detects most forgeries

EXPERIMENTAL signature verification equipment built at IBM's Research Division has detected the difference between forged and genuine signatures in realistic field testing. The system may be used in controlling access to sensitive data, devices or locations.

In field trials of the system, held at an IBM facility, 2,907 of 2,958 verification attempts (98.3 per cent) were accepted. An even greater proportion of forged attempts—490 of 492 (99.6 per cent)—was rejected. The 2,958 valid signatures were collected from 248 individuals, who volunteered for the field trials.

The "forgery" attempts were made by some staff members from the Thomas J. Watson Research Centre who tried as best they could to fool the machine.

"This is, so far as is known, the best performance ever achieved by an automatic signature verification system, according to one of the system's inventors, Dr. Noel M. Herbst. The principles on which the machine is based will allow it to be more accurate than human document examiners, he believes.

First described to the European technical press at a meeting at IBM's La Hulpe research centre in Belgium some three years ago, the method does not "read" handwriting as such. Instead it detects the sequence of accelerations and pressures imparted to the pen by the muscles of the arm and compares this sequence with similar information in reference signatures contained in an appropriate memory.

Studies have shown that rapid handwriting of familiar patterns, such as one's signature, becomes habitual to the extent that the timings of the muscular movements are consistent and beyond deliberate control. The virtually ingrained nature of such muscular co-ordination is the key to verification in the experimental IBM system.

The new system measures data while a signature is actually being written. Small accelerometers and a pressure detector built within the barrel of a pen linked to a computer detect the differences in accelerations and pressure as well as the revealing hesitations, that can betray at

tempts to forge a signature. In an earlier version of the system, patented in 1974 by Dr. Noel M. Herbst and Mr. John H. Morrissey, only acceleration data were measured as the signature was being written. To improve the system's discrimination of true signatures from forgeries, Dr. Herbst— together with two other IBM scientists, Dr. Chao N. Liu and Mr. Nicos J. Anthony—added pressure-recording features. They also refined the decision procedure by which the computer evaluates the signature.

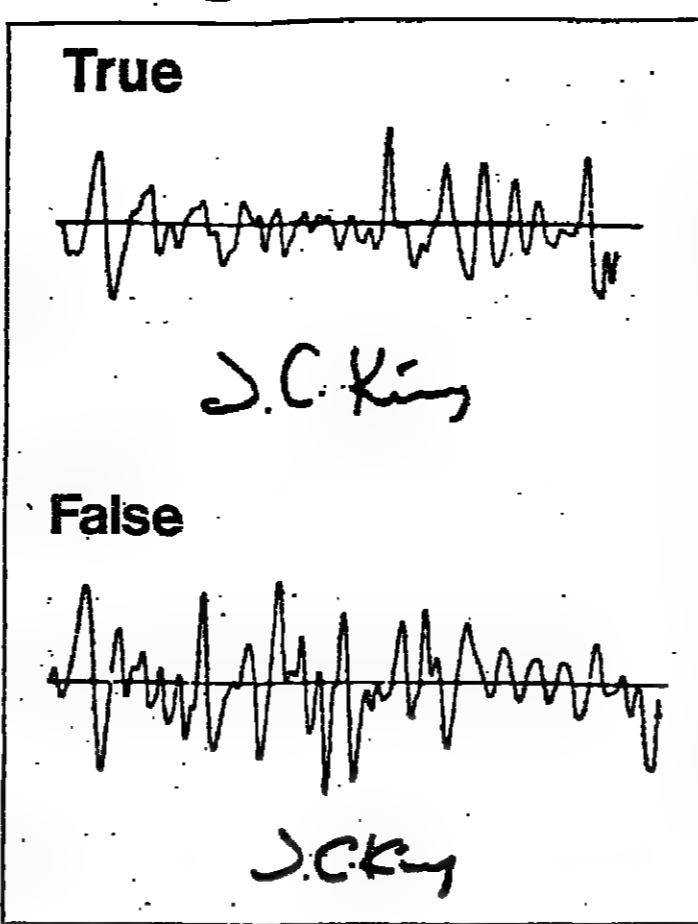
The decision procedure at the heart of the system took over four years of research effort. This algorithm compares two signature patterns, measuring the similarities in their fine detail, while ignoring the gross changes that often occur in

signatures—such as missing strokes and stylistic variations. IBM United Kingdom, 101 Wigmore Street, London W1R 0AB, 01-935 6800.

Similar work has been carried out at the SRI International's research centre at Menlo Park in California and a pen and detector system devised there will record the sequence of directions and pressures a pen is put to in order to trace out a signature.

Developers envisage putting all the electronics needed on to a single microprocessor chip and the information needed to identify the signer would go on to the magnetic stripe of a credit card.

SRI has licensed the pen and detector to Beehive International, maker of computer terminals, of Salt Lake City, Utah.



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ACCOUNTING Data fed into two systems

INTERNATIONAL construction group French Kier Holdings is using a service provided by CMG Computer Management Group (Middlesex) to handle the administration of its pension scheme and payroll.

A special interface program has been written to link the CMG "Payfact" payroll package with the "Compere" computerised pension system. This now automatically maintains a range of information common to both systems.

When an employee joins, a record is created on Payfact master file to hold basic details such as name, company code, location, National Insurance number, sex/marital status, salary, date of birth, date of joining, etc.

These items are automatically transferred to the Compere master file. When the employee

becomes eligible for life assurance benefit or entry to the pension scheme, the system provides the pension scheme administrators with the appropriate information—including that required under the new Social Security Pensions Act.

With this Act, which came into force in April this year, the volume of information which must be maintained by company pension schemes has been increased dramatically. By adopting Compere, French Kier has been able to reduce the amount of manual intervention to a minimum.

Information held on the computer file for the group includes personal records, records of family and dependents, position in the company, remuneration and any "bought in" pension rights. Membership record cards showing a life assurance benefit, estimated pension at normal retirement date are produced for issue to members. Records of leave are maintained on file.

Computer Management Group, Westway House, 320, Ruslip Road East, Greenford, Middx. UB8 9EW (01-575 4563).

PERIPHERALS Collection of data

FROM A business built up in the U.S. and UK aerospace field where aircraft such as the Harrier, Tornado and Jaguar have been equipped with necessary reliable units ranging from signal conditioning modules and microprocessor-based data collection schemes, Base Ten of Aldershot is now moving into industrial data acquisition and control markets using techniques similarly based on pulse code modulation (PCM).

An interesting feature of the equipment is the use of a single amplifier which is rapidly switched over the 1024 analogue input channels and which can take on one of six gain and

four offset settings by program instruction from an external computer or from the system's own programmer.

The system, which is called p-DAS, can accept up to 1024 analogue and up to 1500 digital event inputs, which may be sampled in any order and with any mix of analogue or digital.

Use of PCM in the acquisition process means that data can be recorded at very high byte packing densities on a tape recorder and since the data is digitised it does not easily degrade and has a high signal to noise ratio. In addition, if the data needs to be sent by line or radio, high transmission rates are possible and at the receiver the data is easily retrieved in analogue form with a straightforward decoder.

More from the company at Unit 3, Lower Farnham Road, Aldershot, Hampshire GU12 4HV (0252 312911).

HANDLING Lifting in confined spaces

ALTHOUGH A roller chain lever pull hoist, made of high-tensile aluminium, is much lighter in weight than its competitors, it has proved its strength by being tested to 50 per cent overload before leaving the factory of Herbert Morris, PO Box 7, North Road, Loughborough, Leics. LE11 1RL (0506-63123).

Called the Levallift 116, it is offered for use in confined spaces because of its low headroom and short handle, with an easy ratchet movement.

Other features include a one-piece enclosed design body which protects working parts from damage and the ingress of dirt, pre-lubricated chain, safety catches on all hooks and a wind-through which takes up or lets out slack chain using a finger wheel to provide precise hook positioning.

It is said to be the only roller chain pull hoist with a dual pull-through facility, giving it rapid chain extension in addition to the normal wind-through facility.

More industrial trucks

WHEN COVENTRY Climax acquired the Conveyancer fork truck business at Warrington and Kirby from Rubery Owen last year, the acquisition gave the Coventry-based company much needed manufacturing facilities, particularly for the bigger end of the counterbalanced truck range.

Now, to mark the first stage of rationalisation between the Climax and Conveyancer ranges, three ranges of industrial trucks have been introduced by Coventry Climax, Widdington Road, Coventry CV1 4DX (0203-24100).

There are three electrical counterbalanced fork lift trucks with basic lifting capacities of 1.0 to 1.5 tonnes, two mechanical counterbalanced fork lift trucks (each available with diesel, petrol or LPG fuelled engines) with basic lifting capacities of 2.0 and 2.5 tonnes, and an adaptable reach truck of 2.0 tonne basic lifting capacity available in four different frame widths and with various duplex and triple mast options.

PROCESSING Bed-making problem

A COMPANY which makes beds has got a problem. How to produce a flock, which is used for padding, free of foreign matter such as metal and plastics from zip fasteners, buttons and so on.

The company produces its flock from rags, which include odd garments and these are washed and then passed through a drying machine. From that point they are then "pre-opened" and the material passes through cyclones when some of the metal and plastics is extracted. The material is then blown on to "opening" machines and the resulting flock is then baled. Despite the subsequent use of magnets, some metal remains, as do some of the plastics, and these foreign bodies damage machines during subsequent manufacturing operations.

Apparently it is not practicable to cut off buttons and zips before the material is washed. Any company which thinks it has the answer to the problem and is interested should get in touch with H. Parkinson, Unit 8, Roundwood Industrial Estate, Ossert, Yorks, WF5 9SQ.

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Telephone Whitstable 261294

Looking at UK market growth

GEORGE WARD (he has nothing to do with Grumman) is a 40-year-old American aeronautical engineer and head of the new management team of Syston-Donner Corporation, whose English subsidiary is at St. Mary's Road, Leamington Spa, Warwickshire, CV31 1QN (0926 35411).

The company's products include accelerometers, potentiometers, frequency synthesizers, spectrum analysers—basically used for electronic measuring, testing or sensing devices that are to be found on aircraft, trains and hydrofoils, in remote weather monitoring stations and

Chips that sound off

LATEST semiconductor integrated circuits are devices that can be made, under microprocessor control, to emit sounds and noises for application in the entertainment, education, security and control fields.

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FINANCIAL TIMES SURVEY

Thursday September 28 1978

Individual Pensions

Alongside group pensions, many companies are giving thought nowadays to supplementary schemes for senior executives. The self-employed have of course always to make their own provisions for retirement. For both these categories a wide choice of methods has been developed by the life companies.

How the benefits work out

By Eric Short

PENSIONS ARE in the news again, with pensioners marching to Trafalgar Square last Sunday to demand an immediate increase in their weekly old-age pension. No longer, it seems, are the OAPs content to accept their inadequate weekly payment without demur.

At the other end of the scale directors and top company executives are also active in seeking better pension arrangements and paying more attention to their pension provision. But their motivation is somewhat different from that of the senior citizens. With personal tax levels at a high, almost annual rate, much more attention is having to be paid to fringe benefits in the overall remuneration package.

But the use of the better scheme fringe benefits, such as company cars and house loans, cost, the payments being fully coming more under the scrutiny of the Inland Revenue. The executive concerned can pay some of the cost himself, up to 15 per cent of annual earnings, getting full tax relief on the outlay.

Thus the pension scheme represents a method of transferring profits from the com-

pany to the executive in a tax-efficient manner. It is far better for the executive to accept deferred remuneration in this manner than have it paid in salary.

Consider a company with eight executives which makes a profit of £100,000. It puts half the after-tax profit to reserves and distributes the remainder among the executives as dividends. Assuming that the income tax and investment income surcharge amount to 60 per cent, the net remuneration per director comes out as follows:

The amount of the lump sum depends on the years of service with the company and the limits, which are controlled by the Revenue, are set out in Table 1. The maximum lump sum is one and a half the final annual salary, provided the executive has at least 20 years' service.

The scheme can pay a lump sum death-in-service benefit of up to four times the annual salary, irrespective of length of service. Because the payment of this sum is at the discretion of the trustees of the scheme, it is free of Capital Transfer Tax (CTT), subject to certain provisions. In addition a widow's pension and dependants' benefits can be paid.

So far as contributions to the scheme are concerned, the company can meet the whole of the cost, the payments being fully allowable against corporation tax. The executive concerned can pay some of the cost himself, up to 15 per cent of annual earnings, getting full tax relief on the outlay.

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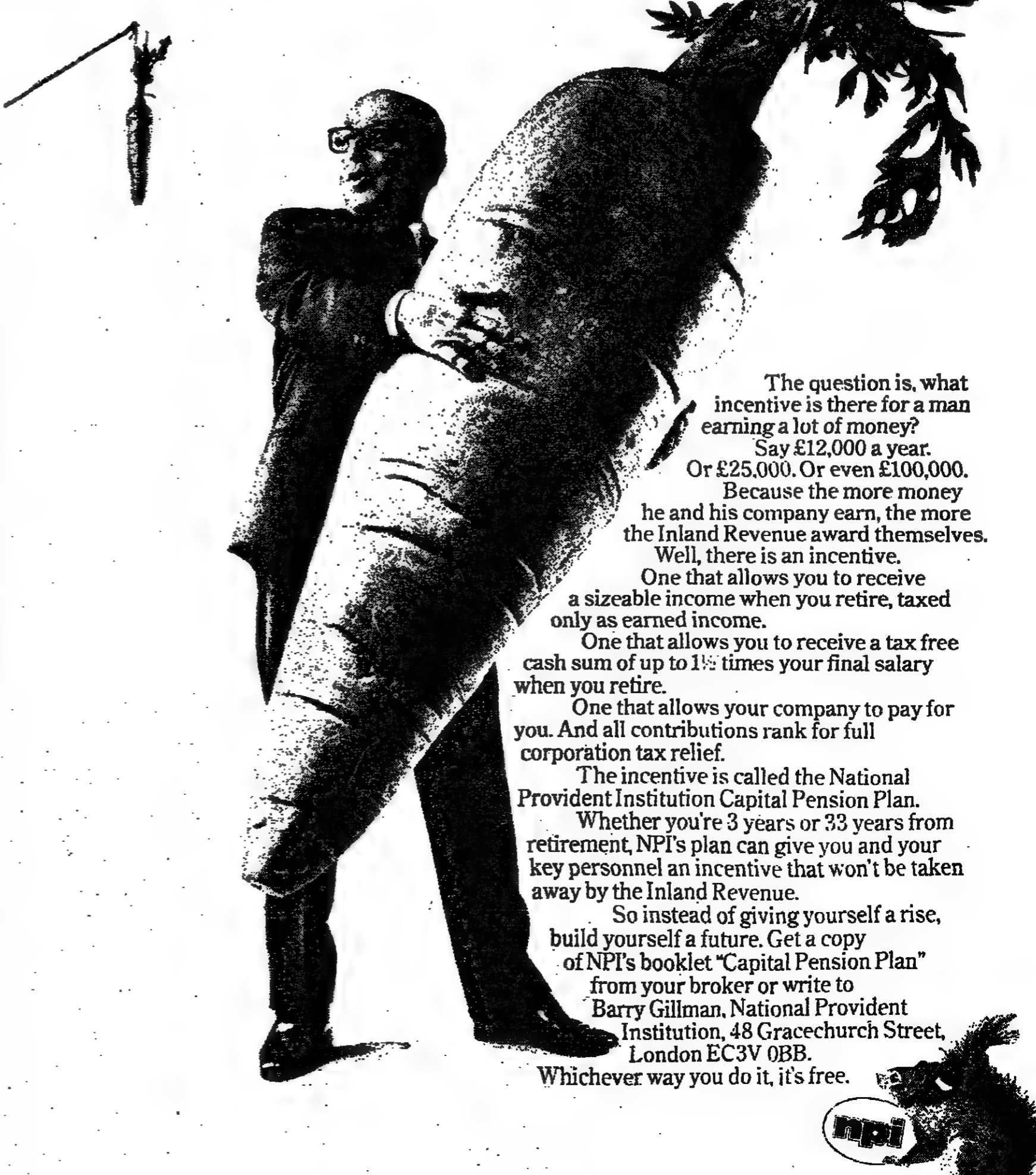
TABLE 1

Years of service	(proportion of final salary for each year)
1-5	3/80ths
6	30/80ths
10	36/80ths
11	42/80ths
12	48/80ths
13	54/80ths
14	60/80ths
15	66/80ths
16	72/80ths
17	78/80ths
18	84/80ths
19	90/80ths
20 or more	120/80ths

TABLE 2

Years of service	(Maximum as proportion of final salary for each year)
1-5	1/60ths
6	8/60ths
7	16/60ths
8	24/60ths
9	32/60ths
10 or more	40/60ths

An incentive to all directors earning over £25,000.



The question is, what incentive is there for a man earning a lot of money?

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Barry Gillman, National Provident Institution, 48 Gracechurch Street, London EC3V 0BB.

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npi

Traditional Executive Schemes

Two basic forms

MORE AND more interest is now being shown in the field of executive pensions and the volume of business taken on by life insurance companies over the past couple of years has risen considerably.

But the competition in the insurance world to secure a slice of this fast growing cake is naturally very hot. Not only are the types of contracts varied, but there are a number of differences in future projections which can distort comparisons.

This in turn makes it more difficult for the company that is trying to calculate, to some degree of accuracy, its long-term pension liabilities. Naturally each company's needs differ in some, for example, desire for flexibility so that any sudden changes in either salary levels or profitability could result in a similar adjustment to the pension provision.

The traditional life companies are basically marketing two forms of executive pension schemes. First there is the conventional with-profits scheme and secondly the deposit administration policy, but in both cases there are some variations in the actual products marketed.

It is easy to see why these executive pension schemes have gained in popularity. Following lengthy periods of wage restraint, companies have been forced to seek other forms of incentive to reward key personnel. While there are a number of ways of achieving this aim the executive pension scheme has become one of the more active.

Another factor behind the growth has been the advent of a State pension scheme. Many of the smaller companies have found the terms of contracting onerous and have instead turned back on individual pension schemes to top up the State scheme.

Because of the variations in the forms of contracts available it is worth taking a look at a few examples of both types of schemes to show what they are and how they differ from just what guarantee, if any, given.

The deposit administration policy is basically a deposit account where regular contributions are credited to give both life cover and a cash sum on retirement which will be used to purchase benefits at the annuity rates then in force. The pension benefit may be purchased from the life office that has handled the deposit account or any other that may offer more advantageous rates.

Over the life of the policy interest is compounded at rates varying according to market conditions. Some life companies offer guarantees linked to the current level of mortgage rates while others just give a straight interest guarantee over a stipulated period. There is no limit to the amount a company can contribute to such a deposit scheme providing the benefits do not exceed the limits stipulated by the Inland Revenue. The maximum benefit is two thirds of the retiring wage providing that a ten-year service has been completed.

The limits imposed by the Revenue are based on present salary but may take account of reasonable estimates for future cost of living rises. If salary levels rise sharply in the meantime the company can at each annual renewal date increase the premiums to take account of the extra remuneration.

Needs

The National Provident Institution (NPI) offers a deposit administration policy through its Capital Pension Plan. This scheme offers the company the flexibility to meet each individual's needs. Payments made by companies under these schemes are allowed as a business expense against corporation tax or Schedule D, while for the member there is a tax-free capital sum and personal pension provided on retirement. The amount in the deposit account will also become payable if the member dies before retirement.

Under the NPI plan interest

to be earned on the deposit account is guaranteed at 6 per cent for the first five years of the plan. But currently the NPI assumes a rate of interest at 8 per cent on all its quotations. But even this figure is below the actual rate of interest achieved of late. The figure was 10½ per cent at the end of last year and 11 per cent for the previous three years. While the portfolio is invested in a comprehensive spread of investments, such as equities, gilts and property, there must be a strong element of high yielding securities to give this sort of return.

Phoenix Assurance through its plan for the self-employed (including the executives) offers a rate of interest guaranteed to be at least equivalent to the Building Societies Association's recommended mortgage rates. Both these levels of guarantees are clearly very conservative and should be comfortably obtained. This must instill some degree of confidence although it is noticeable that not all the life companies offer interest guarantees.

The with-profits schemes provide for a guaranteed sum assured which together with the accrued reversionary bonuses gives a lump sum which in the case of the cash funds can be used to obtain the best annuity rates available much the same as with the deposit accounts.

The level of premiums fluctuate from one life company to another depending on the projected level of bonuses and the annuity rates obtainable on maturity.

On a comparable basis the lowest pension premiums quoted for the with-profits schemes are way below those offered through the deposit administration policies. This suggests that the life companies offering with-profit policies are taking a more optimistic view of future rates.

Tables recently compiled by Money Management show that yearly premiums to give a man, aged 44, earning £13,500 maximum benefits on a with-

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INDIVIDUAL PENSIONS II

Unit-linked Executive Schemes

Full spectrum of funds

Don't your top people deserve the top pension plan?

The Hambro Executive Pension Plan has been designed specifically to meet the needs of directors and key executives. The pension needs of senior management are often very specialised and can vary greatly from individual to individual. The Hambro Executive Pension Plan allows for this by offering outstanding flexibility. For instance:

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excellent means of topping up the benefits and building extra flexibility into pension arrangements.

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THERE ARE two schools of thought about unit-linked schemes for executive pensions. There are those advisors who say that linking something as important as a pension to an investment which cannot be guaranteed is foolhardy, and there are those who will extol the advantages of linking to maximise investment returns.

The more cautious advisors have a point. Investing a future pension in equities or property does have the danger that when the time comes to retire the investments may be at a low value. It is one thing to make a poor investment but quite another to make a poor one late in life when it is too late to repair the damage.

Of course most companies provide a spread of funds with switching facilities, which in theory can mean switching out of the equity market when it is buoyant into a completely safe investment. Some offer guaranteed returns so that in the last few years before retirement the investor can rest easy knowing that the capital values of his pension will stay intact.

This assumes that the individual will be able to spot the right time to switch. Obviously there are opposite points of view on unit-linked schemes, and in truth many of them are entered into not with the view to pension benefits but as a way for the directors or top employees of a company to get money out the business (by

deferred pay) in a tax-efficient way. Alternatively, the unit-linked scheme may be all part of capital transfer tax planning.

Most of the insurance companies run a full spectrum of funds. These usually include equity, property, fixed interest, and a managed fund. Many also feature some form of guaranteed fund.

Each fund is divided into units and the pension contributions are used to buy units in the fund. Contributions can be made either annually or monthly in most cases. However, it is worth noting that monthly contributions often attract higher charges because of the extra work involved, or at least the minimum investment proportion is much higher than yearly premiums.

Based

The allocation of units is normally based on the offer price at the valuation previous to receiving the premium.

Which fund to invest in is a matter of individual choice and depends upon the investment climate at the time. A lot of investors go for the managed funds, however. This gives them a wider spread and shifts the responsibility of deciding whether the pension should continue to be invested in equities or fixed interest or whatever. The managed fund is normally spread around all types of investment with any

emphasis depending on the judgment of the managers.

In theory the managed fund will always underperform the best ones because of its mix; but it should always give an overall good return. Not surprisingly managed funds are often the most popular. Legal and General, for example, estimates that 60 per cent of the money coming in goes to the managed fund. The property funds are also popular at present.

Investors have the choice of switching between the funds to try and improve on their investment performance; the costs vary. Legal and General allows one free switch a year and anything else attracts a charge of 1 per cent of the amount switched. Lloyd's Life does not offer any free switching facilities but the charge is only 1 per cent with a minimum charge of £25. The company points out that these terms are negotiable on large investments. Merchant Investors has the right to charge 1 per cent for switching but in practice it only charges 1 per cent for a switch and Target charges £10.

Switching can be highly profitable but timing is of the essence, and often busy company directors or top employees lack the time to study the various markets and the right times to switch can be missed. Most of the insurance com-

panies stress the advantage of the switching facility. Combined with the various forms of guaranteed or cash funds the individual can make the most out of unit-linked. The one point with a pension fund is that it normally needs to come into force at a fixed date. No one can guarantee that the fund will be at its peak value on that date. So the idea is that when the investor thinks that the market in which his particular pension fund is invested has peaked he switches out into a fund which guarantees values. Basically this normally means a money market fund or perhaps a fund which is invested in appropriate gilt-edged stocks.

Often the guaranteed funds will give a stated rate of return or the cash funds will reflect money market rates. Therefore if these funds are used wisely an investor can wait for a peak in his particular fund then switch into a guaranteed fund to maintain his assets. It sounds all very well in theory, but against timing is important.

In addition, because it specialises, the unit-linked scheme gives the investor the chance to beat the average fund well and truly. But it is up to him to get his investments and switching right.

The one drawback is that the market value of the fund at the date of retiring will determine the investor's financial state throughout retirement as the units are sold and the cash used to buy an annuity. The use of switching and the guaranteed or cash funds may enable the investor to overcome this drawback.

Overall unit-linked is for the man who does not mind having to be continually involved in the investing of his pension fund.

Terry Garrett

Self-administered Schemes

In-house gains

FOR YEARS many companies providing a pension scheme for employees have operated on the self-administered principle, doing everything "in-house"—especially administration and investment. Some very small funds have operated successfully managing their own funds. In contrast many large funds have preferred to use the services of a life company and have been prepared to pay the charges.

The accepted theory, however, has been that only the larger funds can justify the expense of setting up the necessary departments and employing the necessary investment expertise. There has been considerable debate within the pensions movement on the level at which a fund can be self-administered. But primarily it depends on the outlook of the company, whether it likes to be independent, whether it feels that it can do better itself at a lower cost, or whether it just cannot be bothered.

There is no reason why an executive scheme should not be run "in-house," managing its own investments and handling its own administration. Indeed,

the concept of handling their own investments appeals to many owners of small family businesses. They hold the view, rightly or wrongly, of not trusting completely anyone else looking after their money which they have sweated for, no matter how expert the others are. Above all, they do not like paying out charges to others for investing their money. Not surprisingly this self-reliant attitude is prevalent in the Midlands and the North, especially Yorkshire.

However, the Superannuation Funds Office (SFO) of the Inland Revenue has adopted a cautious attitude towards small self-administered pension schemes, especially where the beneficiaries are a closely-knit group as with a family business. This stems from an old legal principle arising from the case of *Saunders v Vautier* (1841).

This sets out that if every possible beneficiary under a trust comes together and none of them is under what is termed a disability, such as infancy, then they have the right to require the trustee to terminate the trust and distribute the pro-

erty (that is the assets) in accordance with their directions.

Company pension schemes are set up under a trust and the SFO has some apprehension that the main members of a pension scheme would be able to arrange for the assets of the fund, which have been built up on a tax exempt basis, would be distributed in lump sum form. Consider the tax avoidance possibilities such a situation provides. In view of some of the schemes put forward, the SFO has good cause to feel some apprehension.

But the SFO does not simply ban small schemes from getting its approval, thereby throwing out the baby with the bathwater. It insists, however, that where small schemes do seek approval, the trustees must include what is described as a "pensioner trustee." This is a person or body widely involved with occupational pension schemes and has the approval of the SFO. The definition of a small scheme is one with less than 12 members.

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Traditional

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profits scheme can be as low as £750-£800 without any terminal bonus. The average figure tends to be between £800 to £900. But for the deposit administration policy at current interest rates, the average figure is nearer £1,000 with only two below £800.

At Scottish Provident, where the premiums are right in the middle of the average range, the last interim bonus was 6 per cent against 8.4 per cent compounded for 1975-77. While they guarantee the annuity rate at a very conservative 6 per cent or so, the current projection on a 20-year policy is nearer 14 per cent.

Bonus rates obviously vary but it is often difficult to make direct comparisons since each

may be calculating their rates on inconsistent cash amounts. Nevertheless it has been estimated that the life companies need to earn a rate of interest in the region of 10 to 11 per cent to maintain indefinitely the current rate of bonuses. In some cases the rate of interest needed to be earned is even higher.

Clearly while the control of management costs and an aggressive investment policy can count for much there is a feeling that bonus level may have to be lowered. But a careful study of the policy and the investment track record should eliminate most of the obvious pitfalls.

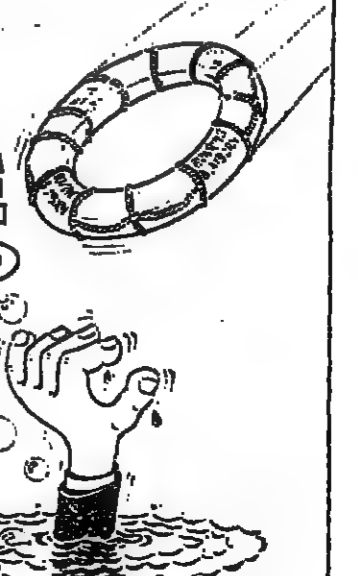
David Wright

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GREAT NEWS!

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GRE's Pension Plus Policy will make sure that your key executives and directors receive the same range of generous pension and death in service benefits that you offer the rest of your staff.

The scheme has highly competitive premiums allied to the following advantages:

- * Cost to Company is allowed as a trading expense and is not treated as extra remuneration.
- * Directors can contribute up to 15% of earnings and obtain expense allowance for tax purposes.
- * Part of pension can be cashed for a tax free sum. Balance is taxed as earned income.
- * Full range of Widows' Pensions and lump sum death benefits can be provided.

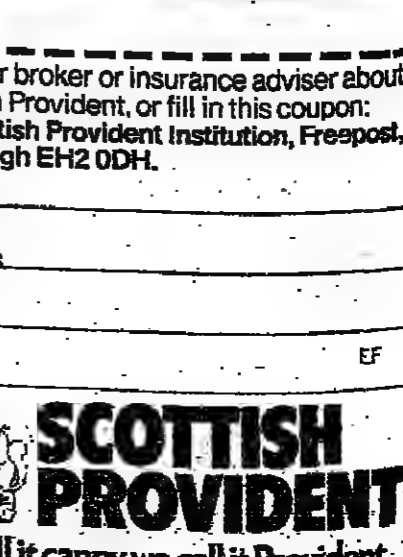
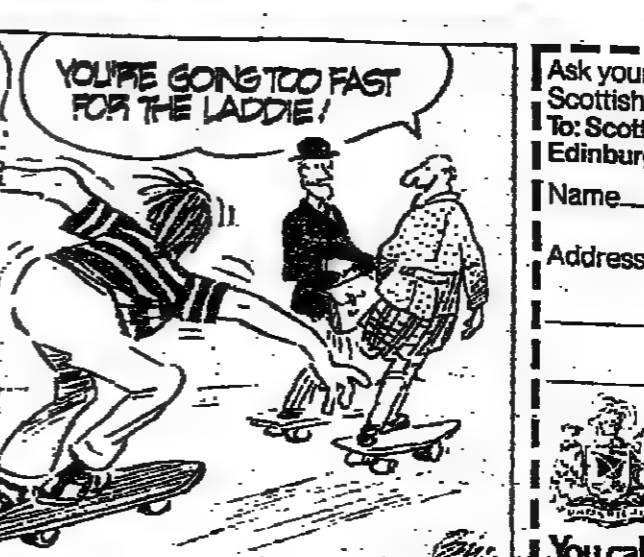
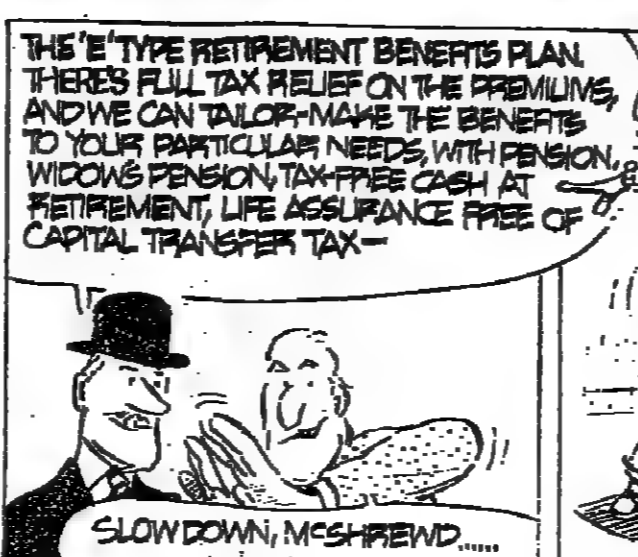
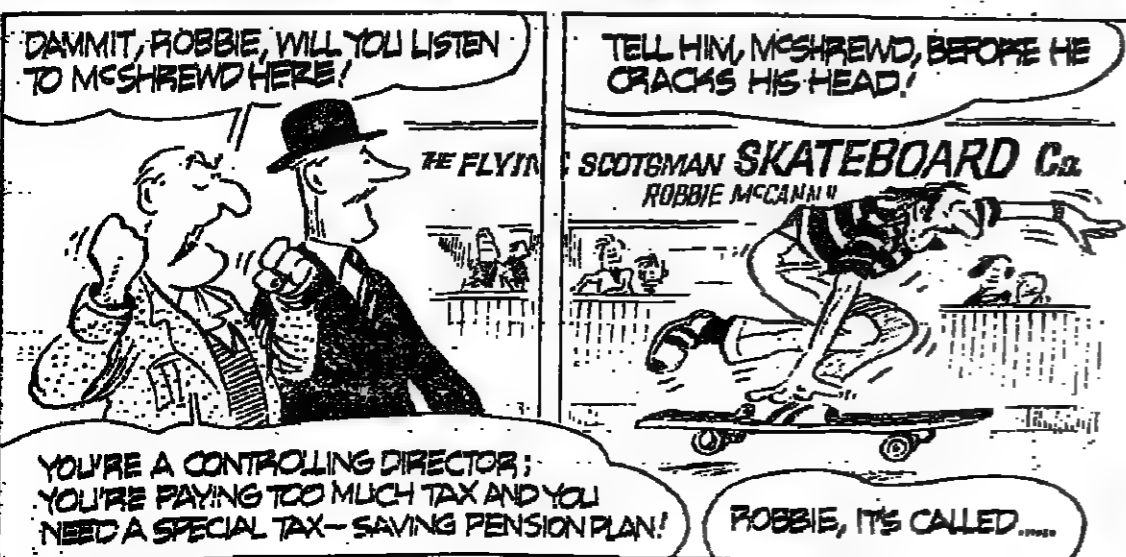
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INDIVIDUAL PENSIONS III

Self-employed Plans

Tax-efficient ways

THE NEW State pension scheme, which provides earnings-related pensions for all employed persons, came into operation this April with a flourish of trumpets. It represented an important milestone in the history of social security in the UK. But as far as the self-employed were concerned, the new scheme did precisely nothing for them in providing higher pensions.

Under this new scheme the self-employed still only receive a flat-rate pension amounting at present to £17.50 per week for a single person and £28 per week for a married couple. These amounts are being increased to £19.50 and £31.20 respectively in the next annual uprating in November.

The late Brian O'Malley, who as Minister of State for Social Security was mainly responsible for this new scheme, asked the Department of Health and Social Security to investigate the feasibility of providing earnings-related pensions for the self-employed. But nothing ever emerged and it would appear that no attempt is going to be made to bring the self-employed into an earnings-related scheme.

However, the Class 2 and Class 4 contributions rates paid by the self-employed were reduced from April, in line with the contribution reduction for Class 1 in respect of employed persons contracted-out of the new State scheme.

Thus the self-employed, if they want to retire on a decent pension, have to do what they have always done—save up for it. But if they try to build up their own portfolio, they will find the Inland Revenue very much against them.

To start with, the money put aside for investment has to come out of taxed income. Then the investment income is taxed as unearned income with investment surcharge on top. Finally, when the assets are realised, capital gains tax will apply.

But all is not lost. The self-employed can provide their own pension in a tax-efficient manner, with the approval of the Revenue, through a personal pension plan issued by a life company. In fact one does not necessarily have to be self-employed to participate in such a scheme. It is available to anyone who is not in pensionable employment—i.e., anyone who is not a member of a company pension scheme.

If an eligible investor takes out such a policy, then the contributions attract tax relief at the top rate applicable to that individual. Thus if the top rate of tax being paid is 50 per cent, each £100 of contribution effectively costs £50. The higher the tax rate, the lower the net cost. The limits imposed on contributions for this relief are 15 per cent of annual earnings up to a maximum of £3,000. There are higher limits for persons born in 1918 or earlier. But any shortfall in one year can be carried forward.

Next, the life company invests these contributions in funds that are tax-exempt, thus ensuring a gross roll-up of investment income.

Finally, the benefits paid are treated generously as regards tax. Pensions are taxed as earned income and there is complete flexibility as to the time the pension becomes payable. The investor can start drawing the pension at any time between age 60 and 75, both dates inclusive, and he does not have to stop work in order to be able to receive the pension payments.

A very attractive benefit is the lump sum that can be taken at the time the pension starts. The investor can commute up to approximately one-quarter of his pension for a completely tax-free lump sum.

Under personal pension plans, there is much more emphasis placed on the pension, with

little attention being paid to the pension. But many of the death-in-service lump sum benefits. This is usually only a return of contributions, with or without interest. The other major difference compared with executive pension schemes is that the ultimate amount of pension paid under most plans depends very much on the underlying investment performance achieved by the life company.

But with many self-employed the early years are spent building up the business or setting established and there is little or no cash available for pensions. It is only when the investor is older that he or she can make sizeable contributions. Then the Revenue limits come into operation and the investor cannot make up for earlier years. This is in contrast with executive schemes, where the company can pay higher contributions to ensure a full pension based on salary at retirement.

Then there is one major drawback in personal pension plans. The investor cannot touch the money until he starts drawing the pension, nor can he use the contract as security for a loan. These particular assets are effectively locked away until retirement. This is the price to be paid for tax concessions. But for some self-employed, to whom the availability of assets is of prime importance, this is a serious drawback.

When the investor comes to take out a plan he is offered a plethora of contracts from numerous life companies and he is offered a choice over the method of paying the contributions.

To start with, the self-employed can pay the premiums on a regular basis—annual or monthly—or they can make single premiums on separate contracts. Annual premium payments impose a financial discipline on the investor to put something aside regularly for

to the company, thereby boosting cash flow. Then there are the tax advantages to this form of self-investment. The pension fund is a continuing entity, so if the company's assets are transferred to the pension scheme there is no Capital Transfer Tax liability on the death of one of the family directors. If the pension scheme has been going for some years, it is quite possible that its size might be on a par with the value of the company. Similarly the pension scheme can control the shares from the family. The control of the company passes from the directors to the trustees, but these will, effectively, be the same people. And all this is with the approval of the Revenue.

Well, not quite. To prevent a complete tax avoidance bonanza, the SFO in its practice notes, states that it will look adversely at any scheme where the whole or greater part of the company's contributions are lent back to the company. It warns that the pension scheme accounts will be examined periodically and the question of approval reconsidered if such a situation is discovered to have developed. A limit of 45 per cent of the fund is the unofficial guideline for self-investment.

Then there are the checks put on by the pensioner trustee himself and the actuary to the fund. Since it is a self-administered fund, then it needs an actuary's report to establish the funding rate and the SFO insist that the fund has an actuarial valuation made at least once every three years. The actuary is governed by his professional responsibilities in his dealing with the fund. His funding rate will depend on his professional judgment of the suitability of the assets to meet the liabilities.

Properly used, the self-administered executive pension scheme can be of vital use to the executives and to the company. For instance, recently a farmer operating such a scheme was able to outbid the institutions for agricultural land using his pension scheme. But the SFO is likely to take drastic action against anyone overstepping the marks it has indicated.

E.S.

Self-administered

CONTINUED FROM PREVIOUS PAGE

The pensioner trustee has to give an undertaking that he will not consent to any termination of the scheme of which he is a trustee other than in accordance with the approved terms of the winding-up rule contained in the trust deed. Where there is more than one trustee then the trust deed has to make it clear that the usual provision for decisions to be taken by a majority is excluded at least as far as winding-up is concerned.

There are, however, more practical problems concerning "in-house" pension schemes. The risk of an early death of one of the executives and of paying the lump sum death-in-service benefit is greater than the risk of winding-up. The SFO advise that these benefits

should be insured from outset insofar as they exceed the value of the employee's interest in the fund based on his accrued pension and other retirement benefits. The SFO also advises that when the pension becomes payable, it should be secured by purchasing an annuity from a life company.

The major attraction of "in-house" is that the directors can make their own investment decisions, because the SFO state that no special restriction on investment powers is necessary. Thus directors can invest the fund's asset back in the company, which opens the way to all kinds of possibilities denied to an insured scheme. The pension fund can invest in assets held by the company, by

way of sale and lease back of land and buildings, for example: it can invest in the equity of the company, it can make temporary loans to the company. It can use the pension fund assets to expand the business in a variety of ways. The possibilities are endless.

For a large quoted public company, these advantages are marginal. But for the smaller, family-controlled private company they are literally invaluable. Pension schemes are a constant drain on a company's finances, and anyone using an insured scheme has to reconcile himself to the fact that the money is locked away forever. But with an "in-house" scheme self-investment can return the pension money

to the company, thereby boosting cash flow.

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E.S.

How to accumulate a very good pension.

In four words: Prudential Executive Pension Plan.

The plan offers the stability of a 'with profits' contract under which a fund is built up by retirement age to secure benefits. The fund is not tied to the Prudential so that there is maximum flexibility in the way benefits can be taken.

Backed by the Prudential's renowned investment organisation this plan offers very good value for money with the yield and expenses shown clearly on a year to year basis.

There is the additional feature that if death occurs before retirement the entire accumulated fund is returned, a feature not found in all schemes of this type.

Find out more about the Prudential Executive Pension Plan by phoning 01-405 9222 (ext. 6339) or your local Prudential office or your insurance broker.

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We have been specialists in the pensions field for many years so let us do the thinking for you.

Firstly, we offer our Individual Pension Arrangement specifically designed for company directors and key employees.

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EXECUTIVES/DIRECTORS

Here's how to add £ thousands—tax-free—to your retirement

EVEN if you do have a company pension, it's almost certain that it doesn't take full advantage of what you are entitled to.

Yet these entitlements come with so many tax advantages, it's well worth looking at the benefits of "topping up" your pension plan. Here are the details.

Your entitlements. These, subject to sufficient years service with the employer, include: A pension of 2/3 of final salary (the pension can include annual increases). Part of this pension may be commuted to a cash sum of up to 1½ times final salary. A widow's pension of 2/3 of the personal pension. A large cash sum, plus widow's pension, if death occurs in service.

What is an individual pension plan? It is a plan arranged by an employer for one particular employee to take advantage of these entitlements. The plan is often known as a top hat scheme.

Who is eligible? Any employee of whatever status is likely to be eligible. He may be a director, a senior executive, or any other member of staff.

If an employee has two or more employers, he is eligible for an individual pension plan from each employer. That might apply for instance, to an individual who is a director of several companies.

It does not matter whether the individual is a member of a group pension scheme being operated by a different employer. Nor is it relevant if he is also self-employed and making pension provision for himself in that capacity.

Moreover, if the employee is a member of a group pension scheme being run by the one employer for whom he works, it is often possible to set up an individual pension plan. That is because the group scheme may not be designed to provide (for that individual) the maximum benefits that would be approvable by the Inland Revenue.

We should also make it clear that it does not matter in the slightest whether the employer is an individual on his own, several individuals in partnership, or a company.

Who funds the premium? The employer must contribute, and normally pays all or most of the premium. Sometimes, the employer may pay a higher premium than he would otherwise be prepared to, because the employee makes a salary sacrifice—that is explained in more detail later on.

Sometimes the employee makes a contribu- tion out of his salary.

The tax advantages. Of course, an employer may make pension provision for an employee in any way that he chooses. But this text only concerns individual pension plans which are capable of approval under the Finance Act 1970.

What is so special about having a pension arrangement approved? The answer to that really lies in the tax position.

1. Both the employer's contributions and the employee's (if indeed he contributes) are fully deductible as expenses for tax purposes. That means, from the employee's point of view, that he is effectively obtaining tax relief at the highest rate (of income tax he is paying, excluding only the investment income surcharge).

The effect from the employer's point of view depends obviously on the circumstances—if for instance the employer is a company, it might normally obtain tax relief at the corporation tax rate on its contributions, whereas if the employer was an individual the benefit would be at the highest rate of income tax excluding only the investment income surcharge.

2. The pensions contributions that are made will be invested in a fund which is entirely free of all tax on its income, and of capital gains tax. Obviously that freedom from tax is reflected in the size of benefits ultimately paid to the employee or dependants.

It's worth pointing out that in a recent survey by Planned Savings (January 1978) of actual results from the types of individual pension plans issued in 1957 and 1967, The Equitable Life's pensions led the field.

One of the reasons The Equitable does so well is that it pays no commission to intermediaries.

Accordingly, to learn more about the advantages of an Equitable Life pension plan, we advise contacting The Society directly. Either by telephone on 01-606 6611, or by post at the address shown below.

3. The benefits when they finally emerge at retirement may do so partly as a cash sum which is entirely free of tax, and partly as a pension which is regarded as earned income and so not subject to the investment income surcharge.

In the event of death in service, any lump sum benefit is arranged so that it is paid free of capital transfer tax.

SOME USES OF PENSION PLANNING Retirement planning for key executives. An employer may sometimes want to provide better pension benefits for a few valued executives. He may do so by arranging a group pension scheme for all employees, and then on top of that by arranging individual pension plans for those for whom it is required to do something more.

or possibly he may just arrange individual pension plans for the key executives.

Capital transfer tax situations. Curious though it might seem at first sight, the essential prerequisite of effective capital transfer tax planning is almost always pension planning. It arises because without effective pension planning, an individual may well depend for income in later years on capital assets in one form or another—for instance the retention of full control of the private company which is the family business or to cite another case, the need to retain a complete portfolio of equities, gifts etc. Anyone in that position is obviously severely restricted in the use that can be made of the exemptions from capital transfer tax in order to pass on assets to the next generation free of the tax.

The close company situation. The vast majority of the 650,000 or so companies in the United Kingdom are close companies within the definition of section 282 of the Income and Corporation Taxes Act 1970. A close company faces particular difficulties in respect of its profits. It is not simply a question of having to pay corporation tax on them. If a close trading company does not distribute half of its profits (after genuine development requirements)—which distribution may well result in the recipients having to pay income tax at up to 98%—the participants in the company are taxed at those rates as though a distribution had been made even if in fact it has not; that is the apportionment under Schedule 16 to the Finance Act 1972.

So if a close company's profits of £100 may in fact only be worth under £2 in the hands of a participant, what can it do instead? Well, it can certainly pay an employee the extra £100 and avoid a profit, but if the employee is taxed at 83% that extra £100 may only be worth £17. A further alternative, and often the most attractive one, is to put the £100 into a pension arrangement, and there the whole £100 may be effectively invested.

Salary sacrifice. An employee may feel that his top rate of income tax is so high that he could forego some salary and hardly notice. He would ask the employer to apply the amount to pension provision. For instance, if the employee is paying tax at 70%, excluding any investment income surcharge, £100 of premium could be applied for a reduction in the employee's net income of £70 only.

There may be circumstances in which a salary sacrifice should not be undertaken, so expert advice is required.

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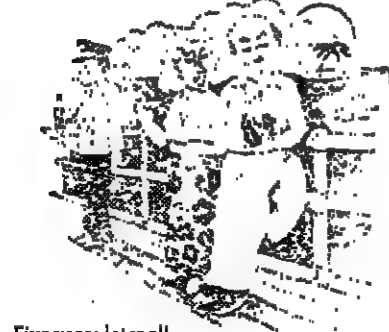
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Unlike the common or garden pension scheme (State or private), which requires cold towels around the brow and access to an abacus for proper comprehension, sorting out the self-employed pension scheme is simplicity itself. All you need to know is what you can afford to set aside each year—you don't need to be able to set aside the same amount each year.

It is a good idea to have some form of regular commitment, however, otherwise the requirements of future years will all

but inevitably give way to this year's leaking roof or crumpled car. But if you happen to be a poor poet or affluent pop singer, with an income which veers between the sublime and the ridiculous, do not despair: it is quite possible to make your arrangements year-by-year.

The point to be borne in mind is simply that your contributions in any one tax year must not exceed £3,000, or 15 per cent of your "net relevant income," which ever is the smaller, because you will not be able to claim tax relief on the extra payments. "Net relevant income" is Inland Revenue jargon for income less certain deductions like expenses and trading losses. The limits are higher if you are getting on a bit already, £3,600 if you were born in 1914 or 1915, rising by stages to £6,000 if you were born in 1907 or earlier. The limits are lower if you are only partially self-employed, to the extent that you are getting a "pensionable salary" from someone else.

How you arrange your contributions is, however, entirely up to you. If you have a nice solid reliable income from your business, trade or profession, and the only question to be answered, year by year, is by how much it is going to increase, then you might choose to spend your full allocation in buying annual premium policies, thereby committing yourself in advance to a given level of payments, and relieving yourself of the necessity of annual decisions.

sions. If, on the other hand, your income fluctuates, you had probably better not commit yourself to anything. In that case spend your allocation on single premium policies.

Most people find themselves somewhere between these two extremes. They can commit themselves to a certain level of contributions, and may or may not be able to top them up as the fortunes of the year dictate. In that case the business should be split. What you know you will be able to go on saving can be put into annual premium policies, and you can top up out of the top level of your income by buying single premium policies.

Emotions

Having got so far you are approaching the stage at which you can go and find yourself a good specialist life insurance broker who will be able to direct you to the policies to choose. But before you do that there is one more matter to be cleared up: that is the question of whether you are going to go for traditional or unit-linked policies. It is a matter which evokes strong emotions in the normally sedate world of the insurance brokers, so it is as well to sort out your own ideas on the subject before you go and talk to anyone.

The essential difference between the two is this. With the traditional policy—with or without profits—you know what you are going to get: you know the minimum, at any rate. With

a unit-linked policy you do not. The capital sum accumulated at the moment you decide on the retirement, and therefore the annuity to which you are entitled, will depend entirely on the state of the market in which your units are invested at the time. And if the market happens to be flat on its back, you are going to suffer.

Now the proponents of the traditional policy say that the unit-linked alternative is, for this reason, just too dangerous for anyone with a mind on retirement at a specific date. The proponents of the unit-linked policy say, in contrast, that the nice smooth bonus record presented by the traditional companies has been achieved by dint of smoothing out performance—to the advantage of policyholders who happen to retire in years when investment markets have been performing badly but to the detriment of those who retire when things are buoyant. So far as you are concerned, the question to be answered, in deciding on unit-linked or not, is to what extent you feel like living dangerously.

Of course there is no reason to devote the whole of your contributions to the one or the other: in fact you will probably find that your broker recommends a mixture of the two. Richard Cockerott, at Tower Law, is probably typical in suggesting that a man of 45, with most of his family commitments out of the way, might well split his annual premium business

between traditional and unit-linked policies, and top up out of the latter. But be warned. Some brokers are adamantly opposed to unit-linked business and you might even find you will have to take your business elsewhere if that is what you want.

Almost everyone, including the linked offices themselves, agrees that anyone within a decade of retirement should consider switching from the high-risk, high-reward policies—equity-linked policies in particular—into something a little more certain and sedate—a fixed interest-linked policy, for example. You may miss the best of the boom that way, but at least you will not be prevented from retiring by the worst of the bust. So it's absolutely vital, if you choose to put an element of your contributions into unit-linked policies, to ensure that there are switching facilities available.

Approach

Once you have decided, however roughly, on what proportion of your income you can afford to devote to annual premium policies, and whether or not you are interested in the unit-linked alternative, you should approach a broker for advice on the best policies available. Quite probably, in fact, he will have approached you. Like life assurance policies, self-employed pension business is sold not bought. This is

regrettable, because the tax advantages attached to them are so great as to make them—almost irrespective of the fund managers' performance—one of the best investments there is. However, it is the fund managers' performance that the broker ought to be able to advise you on, that and terms and rates.

Be suspicious of the broker who tries to get you to commit too high a proportion of your contributions to annual premium policies. It may mean that he is after the commission, which comes in faster on this type of policy. By the same token, however, he would not be doing his job if he didn't try to get you to go in for some form of firm commitment. After all, you're much more likely to keep that up. You do need a specialist life assurance broker to advise you on this investment, and that probably means you will need to go to one of the bigger banking firms.

Do not put the decision off in the belief that you will be able to live off the proceeds of the business when you retire. It never works, like that. And, however convinced you are, that you will be happy to carry on until you drop, remember that it will not do you any harm to have some money set aside. You don't, after all, have to take your pension under a self-employed scheme until you are 75—and by then it is at least possible that you will have changed your mind.

Adrienne Gleeson

Traditional for Self-employed

Advantages not always that readily recognised

TAX CONCESSIONS being quality for tax relief of 50 per cent of the basic rate while that so many of the country's 2m self-employed do not seem to be clued up about pensions.

There are still a very large number of people in the market place who, if they realised the advantages, might well take out a traditional with-profits scheme.

Assume

The latest figures from the Life Office's Association show that during 1977 209,000 new policies were written in this type of business. These brought the total to over 1m and, including those policies taken out in the interim, it seems safe to assume that almost half those eligible have not exercised their rights.

A recent survey by the old Slater Walker Insurance company, Providence Capital Life, further demonstrated the degree of misunderstanding among small company directors and the successful self-employed.

Only 24 per cent of those interviewed considered pensions the most tax-effective form of investment—life assurance led the way here—although life insurance premiums only

paid every year after retirement.

On top of this, policyholders qualify for two increments—the reversionary and the vesting bonus. A reversionary bonus is declared on a regular basis, every one, two or three years, for example—and reflects the company's past investment success.

The bonuses accumulate throughout the term of the pension and are added to the basic annuity. Finally a vesting bonus (a lump sum payable when the pension starts makes up the difference between current annuity rates and those prevailing at the time the policy was taken out.

Flexibility

The second concept is the cash accumulation pension. This is gradually becoming more popular with insurance companies because of its greater flexibility.

The basic annuity is sometimes guaranteed, but interest on the premiums is rolled up and at retirement the policyholder receives a lump sum, part of which can be taken tax-free in cash while the rest is applied to buy an annuity at the

going rates.

Using National Provident Institute's (NPI) rates to demonstrate the deferred annuity concept, a male aged 40 next birthday who pays an annual premium of £1,000 is guaranteed £2,870 basic pension after retirement at 65.

On top of this, reversionary bonuses of £10,187 are added to the basic annuity plus a further £4,570 vesting bonus making a total pension of £17,627. The current reversionary bonus is £6 per cent per annum while the quoted vesting rate is 35 per cent of the accumulated reversionary bonuses.

NPI, incidentally, is currently

working out new quotations based on cash accumulation which will be available shortly.

One of the simplest, though surprisingly most recently developed cash accumulation schemes, is linked to the building society borrowing rate, currently 10 per cent.

Phoenix Assurance is one of the leaders in this field. Although there is no guaranteed basic annuity, interest is credited to a policyholder's account and rolled over each month at least in line with the current building society mortgage rate. In a period of high interest rates this can be extremely attractive.

CONTINUED ON NEXT PAGE

Pension problem?

Personal pensions



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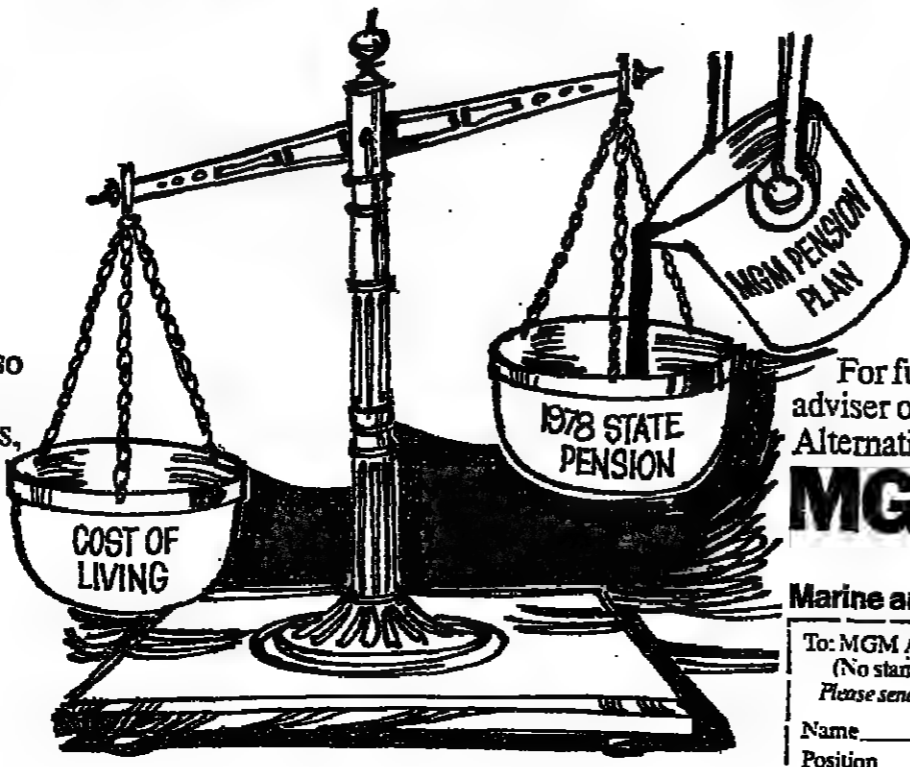
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FT 11

Unit-linked for the Self-employed

Conflicting views among brokers

IF YOU are engaged in running a successful business of your own, the chances are that you are having so much fun that the thought of retirement has never even occurred to you. But will—sooner or later. Should occur sooner rather than later, you might get some fun out of making provision for it.

The provision that you make through contributions to self-employed pension schemes is going to grow pretty rapidly anyway, thanks to the tax advantages such schemes enjoy. If you choose a unit-linked scheme and run it well, then your money will increase more rapidly still.

Of course there is a catch. The operative words are "run well" and there are plenty of brokers around who will tell you that those who put their money into unit-linked pension schemes never bother to run them at all. A unit-linked scheme will run—or not run at all—can be a disastrously bad investment. So maybe we ought to listen to one or two of their

opponents before we consider how to secure their advantages. Take Barry Squires, the life and pensions partner of the provincial brokers Martin Hale. "We've never sold a unit-linked policy," he says. "They're too dangerous if you're saving for retirement because the value fluctuates so much. You might have to wait five years for the value of your units to recover—and you couldn't retire in the meantime." The only circumstances under which he would consider recommending them, he says, is if a client already has large amounts going into conventional policies. "Then I might suggest that an extra £200-£300 a year should go into unit-linked."

Vigour

His attitude is really quite moderate in comparison with the vigour with which Simon Bat of Willis Fawcett opposes the whole idea. "There's too much wishful thinking over unit-linked business," he says. "You

should never put your money into unit-linked pensions if the date at which you plan to retire is important—and most of our clients have a very clear idea of when they plan to give up the business. What would you do if you were in a linked scheme and the date of your retirement coincided with a period like 1974?

"It's all very well saying that you could put the date back; but supposing you couldn't? You might be ill; anything might happen. And it's all very well to say that you can switch from one fund to another—from equity to fixed interest or cash. But who's going to tell the client what switches to make? It's no part of our responsibility to advise on his investments."

So say the opponents of unit-linked retirement schemes. And indeed there is a certain amount of sense in their approach. The value of any unit-linked investment is inevitably going to fluctuate much more sharply

than that of the conventional policy; and there is not (as there is with both with and without-profit endowment policies) any form of underlying guarantee. On the other hand, however, you do not have to pay for that underlying guarantee. The value of your investment at the top of the market is not going to be diminished by internal decisions to put a little by for leaner times.

If above all you want to be certain that your investment is safe, the unit-linked self-employed pension policy is not for you—no matter how modest the swings in the value of the underlying investment or how wide the spread of investments which the fund's managers have chosen. If we take that as a starting point the obvious question is just how important safety should be to you.

The nearer you come to the date of your retirement, the more important it becomes. The linked-life offices themselves accept that this is a reasonable approach, which is why we have people like Paul Woolhouse at Lloyd's Life saying that anyone within a decade of the date at which he anticipates retiring should consider switching out of the more volatile funds, at a favourable opportunity, and putting the money into a fund like fixed interest or cash, where the risks are rather lower.

of the fund management will, for one thing, undoubtedly vary — on average that policy ought to leave them slightly better off than they would have been in a conventional policy (because there is no guarantee to be paid for). However, if you are going to put a part of your pension savings into unit-linked funds, then switching it between the more specialised vehicles ought to produce a rather better result.

Essentially you are likely to be offered up to five funds from which to choose — equity (wholly invested in shares); fixed interest (wholly invested in fixed interest securities); property; managed (some combination of the three preceding); and cash (this is the safest variety of fund, and is really designed for those final few months when you really do not want to put any of your gains at risk). As a general rule equities and property will provide the better hedge against inflation over the longer term, which is what ought to be worrying you if you are planning to continue your contributions over two or three decades. However, the tax structure of self-employed pension funds is such that a fixed interest fund—particularly if interest rates are relatively high at the start of the period — could turn out to be a better bet.

Rolls

The great objection to the private individual endeavouring to build up capital through investing in some form of fixed interest deposit—a building society account, for instance—and reinvesting the income, is that that income is going to be taxed. All the income accruing to a self-employed pension fund, however, rolls up entirely free of tax. If you happen to make your investment (by way of a single premium policy, say) at a moment when interest rates are high, the cumulative effect of that tax-free roll-up can be dramatic.

On the shorter run the tactics to be adopted are exactly the same as those applying to investment in general: notably that it is a good idea to switch into the fixed interest fund if it appears that interest rates are too high to be sustained over anything but the short term, and that it is a good idea to switch out of the equity fund (preferably into cash) if you think that the stock market is about to take a drubbing. It is possible, of course, that you don't feel capable of making those decisions anyway. In which case the managed fund is the answer. But even if you intend to put your money there and leave it there, do not neglect to check that you have a switching option. In the past five years of your policies you will be glad of it.

A.G.

Advantages

CONTINUED FROM PREVIOUS PAGE

Assuming a mortgage rate of per cent and the repayment premiums with interest in the event of death before retirement, a man of 45 paying premium of £500 per annum expects a lump sum of £1,160 at 65. Assuming he does not exercise his right to a cash sum, he can then have an annuity of £3,717 per annum. Applying the same conditions but assuming a mortgage rate of 11 per cent the total pension account is £31,585 and the annuity £4,666.

Comparative studies are rife with difficulties because the enormous discrepancies between schemes. Future projections are obviously part of the picture but past performance is a reasonable guide. According to a survey in the magazine *Planned Savings* which looked at 23 deferred annuity schemes from 22 offices, the best performer over a year period was Equitable.

A male aged 65 who had paid annual £500 premium since 58 received an adjusted 202 annuity from this office May 1 this year. On his own stated basis, according to annual Savings, the best office paid out 90 per cent more than worst—which, if nothing else, is an indication of the importance of studying the lines.

Virtually all offices guarantee payment of the pension for five years after vesting (i.e. if you die during this period) but their approach to death before retirement is by no means the same. All will return the premiums plus the additional compound interest rate, ranging from 4 to 10 per cent. From these differences will be reflected in the value of the immediate pension.

Further variables include the number of premiums required for a long-term contract and the frequency of payment after vesting by the insurance company. It should also be noted that there are limits to the amount individual can spend on providing for his retirement. For most self-employed the ceiling is £3,000 15 per cent of net relevant earnings but anyone born before 1916 is entitled to more. The tax advantages are enormous. Premiums are completely exempt from tax even

the top rate) and the life company's pension fund (the invested premiums) is also virtually all free of taxes, including capital gains tax.

When a policyholder reaches retirement the option (with Inland Revenue blessing) to take a tax-free lump sum as well as the pension is also available. The maximum permitted is three times the amount of the annual pension produced by the remainder of a cash accumulation type account.

A 65-year-old male, for example, who has paid annual premiums of £1,000 for 25 years to Sun Alliance can (at present rates) take a lump sum of £39,804 and a reduced pension of £13,268 (£17,573 if no cash taken). These figures assume premiums repaid with 5 per cent interest in the event of death before retirement.

Shopping

One of the most recent developments in the self-employed pensions field—though still under consideration at the Revenue—is the shopping option. This will mean that on the day of vesting policyholders will be able to take their accumulated pension account to the highest bidder.

In other words, if prevailing annuity rates are more attractive at another life office it will be possible to transfer the cash and buy a pension there.

At present, Phoenix allows its customers 95 per cent of the best annuity rates among 20 of its top rivals. Most companies are waiting for a Revenue ruling but many have publicly stated their intention to provide shopping facilities.

The shopping option is currently permitted for company pension schemes where trustees ensure that the accumulated cash is used to buy an annuity. The possibility of individuals running away with large tax-free lump sums is thought to be one of the Revenue's main worries.

Another problem is how traditional deferred schemes which assume an in-house annuity will fit into the picture. Another development which some self-employed may wish to consider is the gradual retirement plan. In this field Scottish Amicable's Flexipension has been one of the most successful. Each £50 of premium effectively buys separate policies, which all

then mature on different dates. This is particularly suitable for anyone whose earnings will decrease relatively slowly rather than suddenly come to a halt.

At the end of the day it is a company's investment performance which dictates the size of a policyholder's pension. The basic guarantee is certainly a source of comfort but it is usually well below the total annuity ultimately paid out.

Companies are generally reluctant to reveal their investment spread, hiding behind the shield of a large fund which combines both their pensions and life assurance business.

A high proportion of assets, however, is generally in gilts to match the company's guaranteed commitments. For example, NPI's £242m fund (pensions and life assurance) is 48 per cent in gilts and fixed interest, 12 per cent in property and 38 per cent in equities.

The equities and property content of a fund is clearly of great importance to a prospective policyholder. For instance, a high guaranteed annuity means (because this has to be matched by fixed interest investments) there is not always scope for a company to earn healthy bonuses.

Life company funds are getting bigger and bigger. There is surely a case for having off the pensions side (it is after all treated differently for tax) and giving a more detailed breakdown of the smaller portfolio.

Tim Dickson

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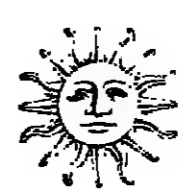
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The dangers of convergence

Y ANTHONY HARRIS

DARLINGS, do look at the way the world is changing. One can readily imagine some remark from the lips of the passengers on the Titanic: but one cannot so easily imagine her saying, "I am sorry, but I had survived to meet another crossing. Our Finance Ministers, on the other hand, seem to have shorter memories: else they are still unaware of what it was they collectively did five years ago. Not an oil tanker, but an iceberg, in convoy."

Celebration

In other words, the simple-minded celebration of what is called "convergence" reported from the IMF meeting in Washington is more than a little disturbing. It suggests that the IMF is collectively returning to its old mental habits—the habit of thinking that the balance of payments problem is the central problem in the world economy. The truth is the exact opposite: the IMF was set up by its founders to prevent a problem, because the founders were wise enough to know that these imbalances were a problem but a solution, the problem that is avoided is the very one whose return the assembled Ministers are now celebrating. Global convergence is the problem, and if the cycles that converge are strong enough it can be very near fatal.

The argument is so simple that it should hardly need stating—which is perhaps why it has been forgotten. Imagine an economy which, through over-enthusiastic management or a simple excess of animal spirits, gets into a boom in which demand rises faster than supply can respond. It is after all a pretty frequent occurrence, even in this sluggish country. If it is a closed economy, the result will simply be inflationary; but if goods are available from overseas, and imports are also available, then demand can be satisfied until its growth is checked quite naturally by over-extended credit.

Equally, a country in recession, if it is a closed economy, will spin downwards, falling a dose of successful Keynesian management; if another country offers a growing market, however, goods will simply be diverted from the home to the export market until confidence and demand revive. The ability to finance these swings is a major stabilising force in the world.

It is why the IMF was established to finance them. Of course, this system is much easier to set out in theory than to run in practice, like every other system of economic management. The difficulty is to distinguish between cyclical swings in the balance of payments which ought to be financed for the general good, and what the Articles call "fundamental disequilibrium."

If there were no movement of private capital in the world, there would be no great problem: a country would be in disequilibrium if it tended to be in deficit even in recessions, or in surplus even in booms.

However, once capital gets on the move, the definitions get blurred. If a strong economy claims that it needs a surplus to finance its capital exports, a weaker country will accuse it of economic imperialism. If a reserve currency country claims that its deficit is a public service needed to finance trade, others will accuse it of financing imperialism with borrowed funds.

The whole question, in short, gets more than a little fraught. If you take further account of the fact that only countries which are short of reserves ever need to go to the IMF for help, you can see why the practice of the 1950s and 1960s became more and more unlike the benevolent theory. In the end the IMF had so far forgotten its basic principles that its annual reports spoke of the "problem of global disequilibrium," simply because by this time it tended to worry about any deficit anywhere from any cause.

For a decade or so, then, the officials of the IMF jumped hard on any weak economy which had the impudence to get into an upward cycle of step. By the early 1970s they had managed to make the very kind of crisis which their activities were meant to prevent a fully coordinated worldwide boom. The world, as Dr. Fritz Machlup once pointed out, is a closed economy, and the result was predictable, a worldwide demand inflation, followed by a worldwide slump.

Oil prices

Unfortunately there was one twist in the plot which may have misled the Finance Ministers: OPEC decided to take advantage of a worldwide boom to raise oil prices in small steps and then, after they had got away with an embargo, in a very large one. Some observers concluded that OPEC caused all the trouble—perhaps, the vast rise in mineral and food prices. The fact is, of course, that we would have suffered inflation and slump if OPEC had never organised. The story would not have been quite so dramatic, but its moral would have been more obvious.

As it is, the Ministers are talking as if they had learned nothing. Fortunately, they are not only wrong in their reasoning, but wrong about the facts: the world's economies are not converging, but simply passing in opposite directions. It is a bit frightening, though, to think that our salvation lies only in the fact that ministers don't know what is doing us. Someone might tell them two lengths behind Welsh

IN A FRANTIC effort to adapt rules evolved on the village green to the needs of a society where not only production and consumption but also leisure, education, the Health Service and the attainment of happiness are industrialised—legislatures and courts are churning out a flood of statutes and decisions. Moreover, the simultaneous progress of the internationalisation of business makes it necessary to know today's rules of more countries than one's own. The only defence against this consequence of the industrialisation and internationalisation of our lives seems to be also to industrialise and internationalise the provision of legal information. How? With the help of a thinking machine: several computerised systems of legal information exist in Europe today, but none of them has international scope. A Society for Computers and Law sprang to life in England and is busy considering various systems of legal information retrieval which could serve British lawyers and businessmen. This society by no means emerged too early. Of the estimated 100 legal documents stored in computerised retrieval systems operating in the European Community, the British share is only 0.4 per cent. The Community accounts for 3.8 per cent. Belgium for

3.9, Germany for 6.7, France for 32.6 and Italy for 52.5 per cent. Critics could say that the greater the respect for law, the less you want to know about it to avoid any feelings of guilt—but it may be only that the practice of law in England is still considered more an art than a skill based on the knowledge of legal facts. And there is a special reason for the popularity of the Italian system which will be revealed later.

A number of legal information retrieval systems operate in Europe as public, private or mixed ventures but one should not jump to the conclusion that computers have already taken over in the field of legal documentation. Electronic systems are still only an aid to conventional legal research and one can expect that, because of human initiative in the role of legal practice, machines will never be able to do the job alone. However, a turning point is now to have been reached. It is now widely accepted that completeness of information about a particular legal issue can hardly be aspired to without an automated retrieval system. A no less important consideration is that if the lawyer is to be left with any time to think, someone or something else must do the searches for him.

Most of the systems now in operation store only bibliographical data or abstracts of documents, but the trend seems to be towards the storing of complete documents. This is understandable for two reasons. First, the users of the retrieval systems are usually in a hurry and their purpose is not served if—after obtaining a list of references from the retrieval

system—they have to turn to several other sources (courts, libraries, publishers, government publication offices) for the relevant documents. The second advantage of storing complete documents is the memories of retrieval systems, or in attached microfiche stores, is the possibility of providing the customer with only the relevant part of a legislative or judicial document, or a quotation from an authoritative textbook. This saves purchasing and mailing costs and helps avoid cluttering desks and filing systems with unwanted bulky publications.

Most systems are serviced by specialists—lawyers, legal

librarians or researchers—who act as intermediaries between the computer and the user or subscriber and this is probably the most economical method because the intermediary will not only acquire the skill necessary for programming the computer but also gain experience of what it can do. As many enquiries are bound to be

similar or identical, computer time can be saved by multiple use or a combination of printers previously obtained.

English-speaking users of electronic retrieval systems start with an important advantage: most computers operate only in English. This is a great obstacle to a direct dialogue with the computer in countries where most of the users do not speak English. Characteristic of one of the very few systems which is accessible for direct use by subscribers is DATEV, the tax-law data bank in Nuremberg, using a computer language translated from the original English into German. There is, of course,

another important reason why this system is used directly more often than other systems. Most of the accountants and tax advisers using this system have an electronic data transmission terminal installed in their office and can put it to additional use by linking it to DATEV. This now contains in its memory some 35,000 documents, and answers between 300 and 400 enquiries monthly. It has about 500 subscribers paying £15 monthly plus a time fee for each minute of dialogue with the computer. The system is operated by a co-operative of German accountants.

There are now four national systems of computerised legal information in the Community, designed primarily for use by legislators and government departments. One of these is the CELEX system of the Legal Service of the European Communities. It stores Community law, mainly for the benefit of Community institutions. Unfortunately, it takes about four months from publication before the documents are fed into the system's memory. As it often takes a long time before Community decisions are published at all, the value of the system seems to be greater for historical researchers than for the updating of current information. The Italian Parliament uses CAMERA 72 for regional

and central legislation in combination with another retrieval system for parliamentary documentation. The French system CEDIP serves mainly public administration and is operated by the Ministry of Justice. The Ministry of Justice also serves courts (which pay £750 monthly subscription) and private subscribers (who have to pay £1,000).

In addition, there are two French systems serving lawyers in private practice or employed by companies. The Lyon-based CRIDON system specialises in information required by notaries public (who act as solicitors and commissioners for oaths specialising in conveyance and probate matters). The other, JURIS-DATA, operated by a Paris publisher with a legal information service, is designed for legal advisers of all types. The Italian ITALGURE, a joint venture of the Italian Supreme Court and of Univas, the computer market, can boast the greatest number of enquiries. Since 1973 it has been handling annually some 170,000 enquiries from between two and three thousand customers, including public administrators, academics and practising or employed lawyers. The secret of its success is simple: ITALGURE operates free of charge.

Vaigly Great best for Diadem

ALTHOUGH THE ground is officially forecast as firm, there has been watering on the straight: course at Ascot and a good covering of grass there suggests that few runners will be inconvenienced by the going.

A number of interesting entries have been attracted to the Diadem Stakes and the Haverhill Stakes will both have good fields.

There is no escaping the claims of Vaigly Great in the Group

RACING

BY DOMINIC WIGAN

Three Diadem Stakes over six furlongs. Last time out Michael Smith's vastly improved three-year-old made hacks of his opponents in the normally competitive Burnham-Castrol Ayr Cup.

It is difficult to see him falling to follow up that win, even with the running inside the sprint. Sweet Mint, in opposition. Sweet Mint, who held on gamely to beat Double Fern by half-length in the Cork and Orrery Stakes at Royal Ascot in June, has been running well all season. She probably put up her best performance when finishing less than two lengths behind Welsh

stable companion, Bananas Foster, or Marble Bay.

Marble Bay, a 57,000 guinea yearling by Woburn Howard out of Solihull, formerly responsible for Turkey, has proved a disappointment in maiden events at Yarmouth and Doncaster.

However, he is highly rated by Henry Cecil, who has a handful of leading juveniles with whom to compare him. It may be that he will succeed on this occasion.

Bananas Foster, thought to be Stoute's quickest juvenile after the brilliant success of his first two races, was sent down through lack of experience in a modest event at Yarmouth a few days ago.

Sure to be all the better for that run, he could just have the edge on his fellow Newmarket-raider. Exactly a month ago, Guy Harwood's tough three-year-old, So Proper, made all the running in the hands of Greville Starkey to land a useful prize at Epsom. I see no reason why he should not follow up in the Swinley Forest Stakes.

ASCOT

2.00—So Proper

2.20—Vaigly Great

3.05—Formulate

3.40—Town and Country

4.10—Bananas Foster

4.40—Valuation

5.10—Jubilee Year

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by DOMINIC GILL

The Hungarian **András Schiff** (b. 1953) is a runner-up to Alexeev and Garrlwin—in the same competitions they won, he was placed respectively joint-third and fourth. His is a smaller-scale, but no lessler, talent: quieter and more intimate, full of wayward laughter, bubbling humour, gentle poetry and a touch of the lyrical. He latest disc offers a recital of a dozen Scarlatti sonatas: polished, but wholly unflashy performances, made with evident care and love. The sequence is well-varied, and chosen with an ear to effective contrast: the B minor sonata K27, for example, delivered with a fine, shimmering clarity, smoothly, lyrical, as a prelude to the well-known D major K38, more keenly, dramatically sprung. Any track could serve as a sample: specially memorable perhaps the lovely dance-lit Schiff finds in the skipping paradigm of the D major K17, and the deft and subtle variations he achieves between each pair of repeats.



Sadler's Wells

De Valois Gala

by CLEMENT CRISP

This tribute is clearly marked with the love and admiration MacMillan offers to Dame Ninette—
—as do we all. And if we are sincere in this we must heed her words made during a curtain speech at the end of the evening.

**Books Page will appear
on Saturday**

Her plea was for money for the Wells—"I sound like Lillian Baylis," she said—and I would urge this best of causes to even balli-goer. It is shameful to record that 47 years after Dame Ninette laboured to found her company at The Wells, financial problems still abound. We owe it to the shade of Lillian Baylis to Dame Ninette, and to the Wells to be generous.

Arts news in brief

The Theatre Museum at the Victoria and Albert Museum is closed to the public until 1989 when it re-opens at Covent Garden Flower Market.

Barney Kessel, Herb Ellis and Charlie Byrd are the three guitarists appearing in *The Great Guitars* concert at the Elizabeth Hall on Monday, October 23, starting at 7:45 p.m. Charlie Byrd will appear with bass and

drums accompaniment. The package will also appear on Friday, October 20, at the Crucible Theatre, Sheffield, at 11 p.m.

Theatre Royal, Stratford E.15

Snapshots by MICHAEL COVENEY

Deborah Findlay

Festival Hall/Radio 3

Muti and Gilels

by DOMINIC GILL

pressive intention, the effect in music was oddly austere, withheld, withdrawn.

The outer sections of the *Andante* took rather faster than usual, framed a central melody broadened almost to stillness. Gilels set off into the finale with a determination that was in many things—no least, not unheroically in cast—but never remotely *triste*: no trace of any measure of Schumann's glittering buoyancy, no soaring, no tender breath. I found the account as a whole, except for one or two sparkling moments, which almost no pianist of any stature could fail to apprisingly deliberate. It was without doubt not an approach which Mutt would have chosen. Left to his own devices with the orchestra after the interval, he urged a splendid *trance* springing to the rhythms of the most convulsive of dances—Schumann's first symphony—and brought a powerful draught in the evening out of punyency alone, but of pungency mixed with salety and colour. Both the *arghetto* and *schizzo* were *delicately* laid out; and one *driven* hard, never *driven* hard, was underpinned with the same with unfaltering momentum.

Elizabeth Hall

Amadeus Quartet

tern and powerfully strange—something quite different from the conventional yearning regrets. The symphonies of the finale were particularly obsessive, as if the rhythmic balance of the music threatened to overturn completely.

The inquietude of the D minor Quartet is more overt, and the tremendous driving made it even more before the dotted figures were often sharpened into doublets, and the Allegro was driven with jagged urgency. If the variation-movement sounded a more sectional affair than usual, the sections were pungently characterised: Mr. Schilder commented that the first variation had a "surreal" effect in the first variation—but the climax in the last seemed as a culmination than a striking afterthought. The

cherzo was rugged and glowering, not very fast; the secondary nuances of the final Presto were not allowed to sing much, hurried along in the anxious overall rush. The grace-notes of the main theme were curiously treated, like hasty gulps. Not very comfortable performances; but uncommonly interesting ones.

DAVID MURRAY

Grand Theatre, Leeds

Dortmund Opera

by RONALD CRICHTON

To be able to say that *Fidelio* on the opening night (Tuesday) reached a sound musical standard and ran smoothly is more flattering than may at first appear to the personnel of both theatres. The production by Paul Hager, at the Dortmund, is a masterpiece, barely linguistically different from other *Fidelios*, except that the sensation of confinement implied by the grille set by Lore Hüss and Hans Schavernoch is not matched by much physical tension in the action. In the dungeon scene an extra grille led to some awkward positionings.

Marek Janowski, the Dortmund director of music, is conducting all the Leeds performances. In *Fidelio* he insisted on spruce, (Pizarro), Günter Wewel (Rocco), and Verena Schweizer (Marzelline) were acceptable. William Reeder (Jacquino) was colourless—seldom can a Jacquino have shown so little surprise at the strange turn events take (notably from his point of view) at the end of this opera. Ilie Bănu (Don Fernando) did not make a most promising voice, not well suited to this role but of sumptuous quality. His German is unready. The dubious precedent was followed of inserting Leonora No. 3 in the second act. Tonight Elektra with Danica Mastilovic. Tomorrow, Lulu with the Persian soprano Nassrin Azarmi. *Fidelio* again on Saturday.

Cassette aid to education

Atarah Ben-Tovim's enthusiastic and exciting approach to musical education has been recognised by the Radio 4 series *Atarah's Music Box* is being encapsulated on cassette.

In conjunction with Novello, Miss Ben-Tovim has recorded a five-part introduction to music, *Atarah's Bendikts*, which will be welcomed equally by teachers and parents.

Miss Ben-Tovim, for 12 years principal flautist with the Royal Liverpool Philharmonic Orchestra, demonstrates her belief that music is fun in the 200 children's concerts a year given by Atarah's Band and in the Children's Concert Centre she has established at Rossendale, Lancashire.

Two cassettes have been released, the remainder following next year. The first, designed for non-specialist teachers and parents of children aged between five and ten, is *Concerts in the Classroom* and comes with teacher's notes, suggested projects and quizzes.

The second, *Getting It Together*, is intended to suit ensemble playing from children in Grade 1/II/III standard and includes a score and set of parts for whatever instrumental combination a school can muster.

JOHN FALDING

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profit from the International
Trade Fair, Bucharest.**

To make sure you get the most out of the International Trade Fair in Bucharest (5-14 October) you really ought to come and talk with Bryan Humphrey our expert on International Trade between the U.K. and Eastern Europe before you go.

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Thursday September 28 1978

Quiet end to U.S. boom

THE RECENT news of the U.S. economy, of somewhat improved trade figures, rising interest rates and somewhat less hysteria in foreign exchange markets all are evidence of the same underlying cause: the remarkable recovery of demand in the domestic economy, now in its fourth year, has begun to top out.

Abnormal

The abnormal length of the boom has three explanations, and all of them also help to define the present condition of the U.S. economy. First, the existence until recently of very large spare capacity has meant that investment demand has been much lower than would be normal in a period of rapid growth. This has limited demand for credit, and so helped to prevent the rise in interest rates so confidently forecast for 1975 and 1976 until quite late in 1977. The large Federal deficit, which might also have driven up rates, has been readily financed until the middle of this year by foreign central banks striving to limit the appreciation of their own currencies. The rapid growth of the labour force has also delayed the onset of any real tightness in the labour market.

During recent months all these influences have spent their force. Capacity shortages have been beginning to appear since the start of the year, foreign intervention slowed down dramatically after the international meetings in June and July, and unfilled vacancies for experienced men have been rising steeply. At the same time consumers are becoming much less willing to incur further debt. No policy changes have been needed to secure some slowing of the growth of demand and a sharp rise in interest rates: these are the natural reactions to external and internal pressures.

These developments have led some forecasters to fear that the long U.S. boom will end in a very sharp downturn, with a cyclical weakness of demand reinforced by a credit crunch, and confidence further undermined as the sharp fall in the international value of the dollar works through to domestic prices. Official forecasts, by contrast, look only to a healthy slowdown.

The gloomier forecasts seem to overlook the fact that the depreciation of the dollar will

settlement, then the war will continue," he implies unmistakably that an end to these arguments is not yet in sight.

The risks in Rhodesia

THOUGH HE did not spell it out in so many words, Dr. David Owen's speech to the United Nations yesterday stressed the central fact about the Rhodesian situation, which has become increasingly obvious in recent weeks: that the time for a peaceful settlement is fast running out, if it has not run out already. The longer the fighting goes on, and the more conditions inside Rhodesia deteriorate, the greater the risk that the guerrillas led by the Patriotic Front will feel that they have little to gain by making any concessions.

Outsiders may know that a "solution" to the Rhodesian problem brought about by violence would not be a solution at all. It would be disastrous for the people and the economy of the country, and even if it did not spill over into continued civil war long after the collapse of the Salisbury government, it would make impossible the establishment of a stable and democratic Zimbabwe. But the leaders of the Patriotic Front may well not apply the same calculus to the balance of issues at stake, even though they must know that, beyond some unspecified point, the fighting may acquire a momentum which could be unstoppable.

It is possible that the Pretoria Government misinterpreted the implications of the proposals put forward by Dr. Waldheim: if the five Western powers which played a key role in launching a UN plan for Namibia may yet be able to persuade the South Africans to reconsider. Much will depend, of course, on who succeeds Dr. Vorster as prime minister, and who is expected to be named by the party caucus today.

There has been a tendency to assume that last week's decision pointed to a general hardening of the line in the South African cabinet; but it is still possible that the very fact of a change in leadership will give some breathing space for reappraisal in Pretoria and for diplomacy by the western powers.

What is not in doubt is that this breathing space may be very short, as short as the time he says: "If the parties continue to argue over the structure of a

settlement, then the war will continue," he implies unmistakably that an end to these arguments is not yet in sight.

For the British Government, and indeed for the rest of the increasingly obvious in recent weeks: that the time for a peaceful settlement is fast running out, if it has not run out already. The longer the fighting goes on, and the more conditions inside Rhodesia deteriorate, the greater the risk that the guerrillas led by the Patriotic Front will feel that they have little to gain by making any concessions.

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settlement, then the war will continue," he implies unmistakably that an end to these arguments is not yet in sight.

For the British Government, and indeed for the rest of the increasingly obvious in recent weeks: that the time for a peaceful settlement is fast running out, if it has not run out already. The longer the fighting goes on, and the more conditions inside Rhodesia deteriorate, the greater the risk that the guerrillas led by the Patriotic Front will feel that they have little to gain by making any concessions.

Outsiders may know that a "solution" to the Rhodesian problem brought about by violence would not be a solution at all. It would be disastrous for the people and the economy of the country, and even if it did not spill over into continued civil war long after the collapse of the Salisbury government, it would make impossible the establishment of a stable and democratic Zimbabwe. But the leaders of the Patriotic Front may well not apply the same calculus to the balance of issues at stake, even though they must know that, beyond some unspecified point, the fighting may acquire a momentum which could be unstoppable.

It is possible that the Pretoria Government misinterpreted the implications of the proposals put forward by Dr. Waldheim: if the five Western powers which played a key role in launching a UN plan for Namibia may yet be able to persuade the South Africans to reconsider. Much will depend, of course, on who succeeds Dr. Vorster as prime minister, and who is expected to be named by the party caucus today.

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The need to abolish double standards in accountancy

BY MICHAEL LAFFERTY

BRITAIN and the United States are probably the two most advanced accounting countries in the world. They both follow the historic cost system (for the most part) in calculating profits, have a legal requirement that accounts present a fair view, and have a system of accounting standards to establish the framework for preparing accounts. But there the comparison ends.

In the U.S. accounting standards are dictated to a large extent by the needs and demands of those—primarily shareholders and investors—who have to make use of financial statements. This seems sensible, given that the purpose of accounts in the first place is to convey information about a company's performance and financial position to others.

In the UK, on the other hand, it would be very difficult to conclude that accounting standards are determined other than by the preparers. In other words, it is companies which dictate what is or is not acceptable in standards. The result is that UK accounting standards and exposure drafts (draft standards) are much more flexible than is the case across the Atlantic—and consequently of less use to shareholders and other readers.

A lot of money

Obvious though all this is to the leaders of the UK accountancy profession, there is little recognition of it in today's consultative document on the future of accounting standards, published by the Accounting Standards Committee. Prepared by a group chaired by new ASC chairman, Mr. Tom Watts, the 28-page report can best be described as an analysis of the various ways in which accounting standards could be set and administered, which concludes in favour of the status quo and asks for a lot more money for doing the same job as now.

Mr. Watts begins his report by considering the need for accounting standards. A company could dream up any accounting concoction it liked to measure its own performance internally—the only requirement being that it should stick to the same system each time. But when it comes to satisfying legal reporting responsibilities to shareholders under the Companies Acts there is a fairly obvious need for consistency and comparability from one company to another. It is here, in the words of the Watts report, "that accounting standards were and are required: not necessarily imposing uniformity but at least narrowing the choices, so as to make financial statements more helpful to users."

Accounting standards fit neatly into the Companies Act

requirement that accounts should give a true and fair view "in that they constitute part of the framework of what at any point of time is regarded as giving a true and fair view." More simply, they enable accounts users to understand the language companies use for reporting their accounts. The converse of this is that so long as there is more than one alternative method available to companies for, for example, accounting for taxes, or currency translation the more difficult it will be for users to make best use of their accounts. Admittedly, the ASC was founded with the less ambitious objective of only "narrowing the areas of difference and variety" in accounting practice. But initial standards—on associated companies, earnings per share, extraordinary items and prior year adjustments—suggested that the ideal of one standard was achievable. Then came the skirmish on research and development. An ASC exposure draft (in the best tradition of prudence) proposed that such expenditure should be written off against profit as incurred. But a sharp rejection of the proposals by aerospace and electronics companies—among them Westland Aircraft—resulted in a revised standard which gave the two industries what they wanted—the opportunity to capitalise some development costs.

But R and D was nothing in comparison with what followed on the matter of deferred tax. The ASC got as far as issuing a standard, requiring companies to provide for both actual and potential tax liabilities deferred as a result of tax incentives, before industry realised it did not like the new rules. The result was an unprecedented outcry which eventually resulted in the suspension of a standard most auditors believed to be appropriate to the historic cost accounting system. This was replaced by the much-quoted draft ED 18, which says companies need only provide the taxes they will have to pay in the foreseeable future. To cap it all, the eventual standard due out soon will allow either the old or the new system.

The success of the deferred tax campaign did not go unnoticed by the property companies. They had long objected to a draft standard which would have required them to depreciate buildings, like every other company. The ASC took a tough line, only to have the rug pulled from under it at the eleventh hour when the council of the English Institute of Chartered Accountants voted to avoid a conflict by granting the property industry exemption from the standard.

Amid all this public controversy the Accounting Standards Committee did the only thing it could to prevent further problems. There was to be more consultation with industry representatives before exposure drafts were issued. The first flexible standards—allowing two or maybe three methods of showing a particular item in accounts. If they knew that companies would be under a tight obligation to observe accounting standards it is possible that auditors would be more willing to raise the priority of user needs in considering future standards.

But who should do the enforcing? In the U.S. the job is done by the Securities and Exchange Commission, which usually refuses to accept financial statements for registration if they do not conform to standards. (Oddly enough, it was this rule which eventually forced ICI to comply with the UK accounting standard on Government grants a ruling which it had previously ignored for years.) The Watts report puts forward the possibility that the Stock Exchange, or the new Council for the Securities Industry might do the job, though it suggests that the former is unlikely.



Mr. Tom Watts

Surprisingly, the news from CSI is that it has not been asked to consider the possibility of helping out on accounting standards enforcement, though it may well add the item to its "possible projects" file now that it has heard of the Watts report. The matter is urgent, for unless accounting standards have the discipline of enforcement the likelihood is that they will continue to be at the very least double-standards, representing the lowest common denominator of what is acceptable to the companies affected. The step from this to statutory enforcement is not far. Regrettable though the latter may be, it is hard to see any worthwhile alternative at present, unless the CSI takes on the job.

The final chapter of Watts is devoted to a criticism frequently levelled against ASC—that it has failed to develop an agreed conceptual framework from which accounting standards would follow logically. Advantages though this would be, Watts finds it to be unavailable at present. He justifies this view by showing "that users of financial statements have different objectives, and in the absence of unanimity it is not possible to develop an acceptable foundation based on definitions of profit, the balance sheet, or capital maintenance which would be generally accepted."

The danger in this line of argument is that it leaves ASC wide open to the charge that it is seeking to extend existing rights to accounting information (and hence the obligation of accountability) beyond the traditional groups of shareholders, creditors and future investors. Surely these are the users ASC should start with. If major weaknesses exist in the present accounting system as far as these people are concerned it is largely because of the variety of

different methods still available to management for calculating profit. The historic cost accounting system needs to be standardised far more. Maybe then other users like employees will find it more understandable.

A suggestion often put forward in connection with standardisation is that it is better to allow companies flexibility to follow whichever accounting method (of the permitted alternatives) they think most appropriate, so long as the effect of adopting the other basis is quantified in notes. This indeed is what is currently happening with the draft standard on accounting for taxes. It was also a line promoted by some of the nationalised industries responding to recent criticism of their accounting practices.

But it is not a satisfactory solution for several reasons. To likely to go on getting the start, with, how many shareholders, institutional or other-

SOME QUESTIONS FROM THE ASC

Part of a list of questions on which views have been sought

THE NATURE OF ACCOUNTING STANDARDS (SSAPs)

- Is there a continuing need for accounting standards designed at least to narrow the areas of difference in accounting practice?
- Is it accepted that reasonable consistency of accounting principles is desirable between various undertakings?
- Is it agreed that SSAPs are needed to enable users of accounts to compare the performance of different organisations?
- Is it agreed that SSAPs should not be used merely as a benchmark against which deviation should be measured?

THE APPLICATION AND ENFORCEMENT OF SSAPs

- Should SSAPs be developed for particular industries?
- Should SSAPs be enforced beyond the duties presently imposed upon members of the accountancy profession?
- Should enforcement (as opposed to application) generally be limited to listed companies?
- Should the enforcement body be: (a) a government department (b) an agency (eg on the lines of the SEC) (c) the Stock Exchange (d) a branch of the CSI?
- Should the sanctions comprise: (a) suspension of listing (b) censure (c) an alternative...? (d) suspension of the right to act as a director or officer of a company?
- Should the auditor's report always refer to: (a) compliance (b) material departures, where he agrees where he disagrees?

THE STANDARD SETTING BODY

- Should SSAPs be set by: (a) Parliament (b) a government department (c) a government agency (d) a self-regulatory body and if so, should it be one which is wholly independent of the accountancy profession— which consists of accountants only— which consists of a wider membership than just accountants?
- Is it acceptable to retain the ASC very broadly as at present?
- Should the Councils of the accountancy bodies continue to have the final right to vote or agree to the publication of an SSAP?
- If not who should—the ASC itself—another body...?
- Should ASC members continue to be part-time and unpaid?

FINANCE

- Who should pay for the standard setting body: (a) the accountancy profession (b) producers of accounts (c) users of accounts (d) government (e) others...?
- Should finance be "voluntary" and handled by a foundation on the lines of the Financial Accounting Foundation in the U.S.

AN "AGREED CONCEPTUAL FRAMEWORK"

- Is it accepted that there is at present no single "model" or "agreed conceptual framework" which can be used as the touchstone for accounting standards?
- Should the ASC encourage research into the possibility of finding an acceptable "model"?

wise, have the ability and technical knowledge to make the necessary re-adjustments. There is also the matter of statistical services, which produce historic records of company results. Whether accountants like it or not there is something unique about the profit figure in company accounts. This does not mean that it is absolutely right. What it ought to mean is that it has been arrived at on a consistent basis, and is comparable as far as possible with other companies.

Mr. Watts has started the ball rolling. It is now up to shareholders, investors, creditors and other users of company accounts to take advantage of the next six months to emphasise their needs in the accounting standards game. Otherwise they will have only themselves to blame, and are likely to go on getting the double standards they will deserve.

MEN AND MATTERS

Steering a smooth course

The talks now taking place between two of the world's largest insurance broking groups, C. T. Bowring of the UK and Marsh and McLennan of the U.S., are being viewed with a certain irony by other members of the London market.

It has not escaped the eagle eye of the insurance men that Ivor Binney, chairman and chief executive of C. T. Bowring (Insurance) Holdings, is a member of the Committee of Lloyds which earlier this year blocked an attempt by Marsh and McLennan to take over the UK firm Wigham Poland.

The controversial ruling by the Committee was that no insurance interest outside the Lloyd's market could normally hold more than 20 per cent of the equity in a Lloyd's broker.

Binney tells me that though he voted in favour of the general principle of the 20 per cent rule, he and other parties with a close interest in the American broking scene left the Committee rooms during the vote on the specific cases.

It is perhaps worth pointing out that another Bowring man, Kenneth Lambert Coles of C. T. Bowring (Underwriting Agencies), chaired the Committee's working party which planned the 20 per cent rule which blocked the American bids.

Jack Regan, Marsh and McLennan's chairman, tells me that he was quite annoyed at the time but he is obviously not a man to bear a grudge. The new deal would allow the two groups incomes of about \$550m without incurring the wrath of Lloyd's.

"When Mr. Binney suggested the framework for the deal I thought it would be a fine solution," he says.

Binney did not vote when this new deal came before the Committee of Lloyd's. Some of his competitors are amazed that it

"If you ask me EEC fishing has a glut of red herring."

went through the Committee without a hitch but then Binney had been in as good a position as any to predict the wishes of the Committee—as he himself might admit.

Common fallacies

The European Parliament's office in London admitted yesterday that it would "probably" face an uphill task explaining to Britain at large what the coming Euro-elections are all about. As a preliminary to the campaign a poll has been conducted asking people what were the problems of the Common Market, its powers, and similar burning questions.

The response? "The results are still being analysed," said a spokesman guardedly. "We have an impressionistic view." And the impressions? "People are very confused... but then they are confused by the relationship between Parliament and government and councils. The confusion isn't confined to Europe. There's a feeling that things are being done 'up there', but then that's equally characteristic of government

and business. So far we have found nothing unusual."

One story being circulated is that some of those questioned about the identity of the "top man" in Brussels got it right: Jenkins. But when pressed a large number thought his Christian name was Clive.

Meanwhile telephone traffic to the EEC's office is high, with a large number of calls from potential candidates for the mammoth 500,000-voter Euro-constituencies, among them Lord George Brown.

Kindly weed

The well-equipped traveller to sunny climes may soon find himself adding an unusual item to his complement of visas, tickets and injection certificates. A common weed could prove just what he needs—at least if he faces the risk of that most insidious disease in the tropics and sub-tropics, bilharziasis.

More than 200m people in the Third World are afflicted by this debilitating sickness. Developing in water snails, fork-tailed larvae of the blood fluke swim around ponds and waterways, entering mammals' bodies. The parasite is an ancient enemy in Egypt, where up to half the population is affected. But now a research project backed by Canada's International Development Research Centre has found that the ragweed ambrosia maritima can kill off the snails. So if you are planning to swim in the Nile or float in the Ganges, plant a little ragweed first.

Up in smoke

It is some distance from a childhood spent in Kiev rolling cigarettes en famille to the soft light grandeur and foot-long restaurant bills of London's West End. But it is a journey travelled with the lightest of treads by Zino Davidoff, the 73-year-old tobacco king.

Dining at Les Ambassadeurs the other night we talked, inevitably, of cigars—he was in London to launch a new range. Inevitably, also, he assured me they were the best in the world. They are certainly among the most expensive at around £2 each.

Davidoff is apt to make claims such as "not a man on earth has among his clientele, and friends, more kings, dukes, millionaires, adventurers, celebrities or beautiful women."

Wily and charming, Davidoff recalled through blue smoke another client, now dead, who visited his father's first shop in Switzerland: "He had a thin face, brilliant eyes and spoke in a loud voice. I remember him quite vividly." Davidoff still has Vladimir Ulyanov's bill, when remained unpaid, which Ulyanov became Lenin.

Davidoff never returned to Russia: "I don't like the system there"—but has had to deal with the problems of Communism on the commercial front. The Castro regime initially abolished the 960 Cuban varieties in favour of a single People's Cigar. "They just didn't sell," Davidoff tells me, claiming he was instrumental in persuading Castro's emissaries to restore diversity. But Davidoff's almost romantic interest in cigars far outweighs politics. He is fond of quoting Franz Liszt: "A good Cuban cigar closes the door to the vulgarities of the world." He himself smokes two a day. No more? "It's a luxury item."

Rubbing it in

One of our far-flung readers, spurred on by the recent survey I mentioned on teachers' spelling mistakes, has sent me a page from the Kuwait telephone directory. It is an insert which is repeated throughout the book urging readers: "Address your letters correctly."

Unit Trust Notebook No. 17

Unit Trust Statistics

Every month the Unit Trust Association issues statistics for the industry. Why are these figures significant? This is what they show:

a. Sales. Gross sales for the month usually fall within the range of £20m to £50m. Sales for the latest month (June 1978) were £49.56m.

b. Repurchases. Every month a proportion of the units issued in the past are cashed in by unitholders. Annual repurchases as a percentage of total funds have varied during the last 10 years between 4% and 8%.

c. Net new investment (a minus b). This has been positive for every month since May 1961; in other words, there has been a net monthly addition to the funds invested in the industry for the last 17 years. The lowest level since 1961 occurred in September 1971 (£0.24m), and the highest was £70.29m in April 1978. Net new investment in June 1978 was £23.85m.

d. Value of funds. The total value of funds managed by the industry in June 1978 was £3,708m. The record was reached in the previous month, when funds were over £3,726m.

e. Unitholders' accounts. This figure shows the number of accounts, not the number of people investing in unit trusts. The number of unitholders' accounts has declined by about 22% since 1970, due to factors such as the merger of unit trust funds, rationalisation of holdings by investors, and the conversion of holdings into equity-linked policies. About two million people are estimated to invest directly or indirectly in unit trusts.

The figures are important because they are an indication of people's attitude to stocks and shares. Unit trusts are the simplest way of purchasing a managed portfolio of equities on a non-contractual basis. They need not be linked to life assurance or a pension fund, and investment in units may be started or terminated without penalty.

Unit Trust Association
Park House, 16 Finsbury Circus, London EC2M 7JP Tel: 01-628 0371

Observer

The future of the British boom

HE OF any more conspicuous
 are were surprised to find
 article in the *Lombard*
 and on June 12, 1978 en-
 "Why the Economy is
 "ing" in which I predicted
 for once, the official
 omic forecast of 3 per cent
 tial growth would prove to
 underestimate and that
 ivers would enjoy a boom
 likes of which they had not
 since the days of hyper-
 in the late 1950s. One or
 businessmen wrote to say
 they had seen no boom;
 Mr. Healey thought my
 estimates exaggerated
 and that the statistics are
 owing that the statistics are
 nning to arrive, it can be
 that if anything I under-
 d the extent of the boom.
 output measure of the
 onal Product rose at an
 al rate of 5½ per cent be-
 in the last quarter of 1977
 the second quarter of this
 . Even if North Sea oil is
 iced (and why should it
 the rise works out at
 t 4½ per cent. The Indus-
 Production Index has been
 g this year an annual
 of about 9 per cent (about
 t without oil); retail
 volume by a similar per-
 centage. Yet, curiously for those
 apply a simple economic
 pretation to policies, the
 opinion polls refused to
 in Labour's favour; and
 the normal summer swing
 rds the Government took
 in reverse.
 art from purely political
 as, such as the disintegra-
 of the support, it is clear
 that the Government are poor
 if the polls reflected
 y time lags. It takes a
 months to convince a
 al electorate that the bulk
 its members really have
 had it so good. By next
 winter or spring the message
 may have got home, even
 though the pace of the boom
 will by then have moderated;
 and Labour may then have a
 better chance than it is now
 fashionable to suppose.
 The economic prediction was
 easy enough to make, because
 both the real money supply and
 the more conventional indi-
 cator of real disposable income
 were pointing sharply upwards;
 and this was one of the rare
 periods when a very short-term
 prediction was of some value.
 But I shall not withhold my
 own guesses. To begin with,
 upturn will continue for
 longer than most people think
 into next year—at least at a
 somewhat reduced pace. Even
 though the 5 per cent wage
 guideline will not be literally
 observed, wages will rise much
 less than cynics now suppose
 for reasons which have almost
 nothing to do with incomes
 policy and nearly everything to
 do with the exchange rate. UK
 entry into a European monetary
 arrangement next year, and
 its announcement, would also
 give the boom a new lease of
 life when it would otherwise
 flag. Mr. Callaghan's attachment
 to the European monetary
 arrangement is greater than
 generally realised; and Mr.
 Healey's more critical remarks
 in Washington this week belong
 to the realm of negotiating
 tactics.
 The UK boom might be
 extended further by a sup-
 posedly once-for-all devaluation
 against the new unit of a new
 European currency snake. If
 the financial markets can be
 persuaded that the devaluation
 is a prelude to a new regime
 of monetary stability, and will
 therefore not be soon repeated,
 such a devaluation might even

exert an old-fashioned stimulus and prolong the boom still further.

The optimistic features I have been discussing relate entirely to short-term variations of a business cycle, stop-go kind. Any politician who cites them should be immediately reminded that underlying performance continues to deteriorate. Despite the present boom, total output this year is unlikely to be more than 4 per cent above the previous peak of 1973 even on the new re-based index. Without North Sea oil the rise would have been 2 per cent—or less than 1 per cent per annum. Nor can we rely on high unemployment to generate demand. The productively growth gap between the UK and the rest of the EEC was narrowing in every previous trade cycle and almost closed in 1969-73. But since the latter year, the UK has again fallen far behind in output and productivity, so that all the old league tables which one might have hoped to see buried are being resurrected.

The reasons for the deterioration are not mysterious. They are in large part due to just that detailed "micro-economic" interference and the greater influence of the TUC (itself due largely to pay policy) in which politicians such as Mr. Callaghan, Mr. Healey, Mr. Heath and Mr. Prior take such pride. But at least Mr. Callaghan and Mr. Healey did not preside over monetary expansion, or over the kind of pay controls under which Mr. Jim Prior, who has learned nothing from his richly merited defeats of 1974-1975, still hankers.

Let us however return to the more topical short-term issues and the very sharp spurt in

output and consumer incomes now taking place. Not only has output risen unusually fast in 1978, but the buying power of British output in overseas markets has increased. The terms of trade have improved by over 4 per cent in the course of 1977 and by another 3 per cent or so so far in 1978. The major influences here have been weak world commodity prices and an improvement of sterling.

REAL MONEY SUPPLY AND UNEMPLOYMENT

The top graph, titled 'Real Money Supply and Unemployment', shows two data series from 1973 to 1975. The left Y-axis represents the Real Money Supply (1 year moving average) from 0 to 200. The right Y-axis represents Unemployment (Thousands) from 0 to 400. The Real Money Supply (solid line) starts at approximately 100 in 1973, peaks at about 180 in early 1973, then declines to around 100 by 1975. The Unemployment (dashed line) starts at approximately 300 in 1973, peaks at about 350 in early 1973, then declines to around 200 by 1975.

Year	Real Money Supply (1 year moving average)	Unemployment (Thousands)
1973	100	300
1974	120	320
1975	100	200

It is this strength of sterling which has enabled British workers to enjoy wage increases of 14 or 15 per cent over the past year when prices have been rising by only 9 per cent. On top of this they have, after years of phoney tax cuts, been enjoying some real tax cuts, which have further boosted their spending power.

Few of these forces can con-

tinued for many months longer. The tax cuts have been made possible because of Government underspending in 1977-78 which led to a shortfall in the public sector borrowing requirement. Now, however, public expenditure seems to be rising at least in line with the national product: so any further reliefs could come about only through a hazardous exercise in fiscal stimulation. Nor is it possible,

UNFILLED VACANCIES

Source: C. S. Brannan

CHANGING IN MONTHLY MONTHLY PERCENT CHANGE IN VACANCY INDEX

Source: Directorate of Employment

Unfilled Vacancies

12 month averages seasonally adjusted

Data from 1978

even on the most optimistic view of productivity trends, for real pre-tax wages to carry on rising by 5 or 7 per cent annually. The only question is how the declaration of real earnings is to come about.

So whether one looks at demand, supply or probable public policy a slowing down of the present boom is likely. But this still leaves open the question

whether the rise in output will merely decelerate to a more sustainable pace, or whether we are to have a growth recession, bringing with it renewed stagnation and a resumed increase of unemployment.

The difficulty about predicting the movement of real output and employment is the collapse of any useful theory for the purpose. At one time both Keynesians and monetarists would have agreed that an expansion of the Public Sector Borrowing Requirement, together with an accommodating money supply increase, would provide a short-term stimulus to output; the disagreement would have been about the longer-term effect. Today, however, respectable support can be found for the views that a higher PSBR would be expansionary, contractionary, or have no effect at all.

Faced with this theoretical confusion, I have found that the pragmatic guide to business cycle movements has been the change in the "real" money supply, i.e. the percentage change in money (sterling M3) minus the percentage change in prices. The chart shows that this was negative during the "stagflation" years of 1974 to 1977, but became strongly positive in the second half of 1977, thus heralding the present boom.

What, however, is likely to happen to the real money supply from now on? The nominal money supply, which figures in the headlines, has recently been experiencing some pretty wild fluctuations reflecting involved and baffling methods by which governments and central banks set about the task of monetary regulation. But

The Greenwell calculations of an underlying rate of monetary expansion of 12 per cent—after allowing for the distortions of the official control methods—seem to be about right.

The crucial question then becomes: what will happen to prices? The most important short term determinant of prices is almost certainly the exchange rate, not only because of its effect on import costs, but also because it determines the sterling prices which companies can charge in competition with overseas suppliers in both home and export markets. On economic grounds there is every reason to expect the present sterling rate to remain reasonable as against the basket of currencies for the next 12 months. The weakness of the dollar, the moderate tightness of British monetary policy, and the impact of North Sea oil all point in that direction.

What could happen to falsify this projection? The most likely thing in view is not so much a dollar recovery as market expectations of a devaluation prior to joining a currency union. It is almost impossible to suppose a market with a devaluation—the market will do the job itself while the pound is still floating. But if it did so too early the inflation rate would be well into double digits by mid-1979.

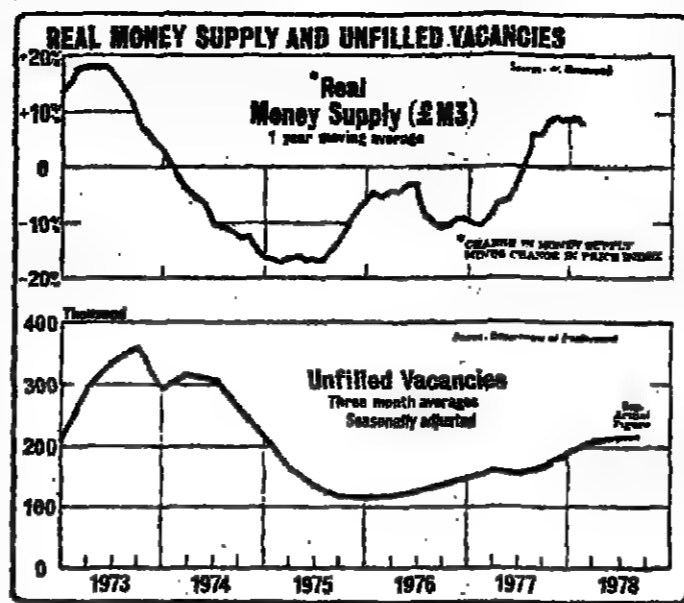
Assuming however that sterling holds up at least into early 1979, the rate of increase of wholesale prices of UK manufacturers will not be able to diverge very much from the rate of about 8 per cent. Allowing for taxes and non-traded goods, this would give a UK inflation rate of 8 to 11 per cent well into 1979.

In these circumstances, so far from prices being determined by wages, as the pay policy theologians suppose, wage increases will be determined by the prices which employers competing with overseas producers can afford to charge. So far from there "having to be" a pay norm for the state sector, the main contribution that the public services can make to stability is simply to follow the private sector with variations reflecting individual supply and demand conditions.

Moreover, in following the course of wages, it will be important not to be mesmerised by individual headline settlements such as Ford, which are often not the pace-setters of establishment mythology, and to look instead at the rather glamorous trend of the earnings indices. My own view is that they will show earnings increases of 12 to 13 per cent. Although quite incompatible with the official guidelines, these would allow a modest continuing increase of real earnings; and they would be compatible with the 9 to 11 per cent inflation rate. They would also leave room for a small increase in the real money supply and for a slower but continuing rise in output of say 2 to 4 per cent per annum, which will not take up the largely mythical slack in the economy, but is realistic.

Meanwhile we shall continue to pay a high price in longer term efficiency, erosion of the rule of law, and public hypocrisy, in pretending to have an incomes policy when what is really in operation is a money supply plus exchange rate policy.

Samuel Brittan



It is this strength of sterling which has enabled British workers to enjoy wage increases of 10 or 15 per cent above the past year's wage prices, while prices are rising by only 8 per cent. On top of this they have, after years of money tax cuts, been enjoying some real tax cuts, which have further boosted their spending power.

Few of these forces can con-

even on the most optimistic view of productivity trends, for real pre-tax wages to carry on rising by 5 or 6 per cent a year. The only question is how the deceleration of real earnings is to come about.

So whether one looks at demand, supply or probable public policy a slowing down of the present boom is likely. But this still leaves open the question

What, however, is likely to happen to the real money supply from now on? The nominal money supply, which figures in the headlines, has been experiencing some pretty wide fluctuations, reflecting the involved and baffling methods by which governments and central banks set about the task of monetary regulation. But

Assuming however that sterling holds up at least into early 1979, the rate of increase of wholesale prices of UK manufacturers will not be able to diverge very much from the world rate of about 8 per cent. Allowing for services and non-traded goods, this would give a UK inflation rate of 9 to 11 per cent well on into 1979.

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Samuel Brittan

Letters to the Editor

Democracy and Violence

Mr. G. B. Cole.

— Mr. G. B. D. Wolf (Sept. 23) continues the com- argument that "for unions otro) their members is un- cratic. The important thing members to control their "He correct in saying "for democratic," he is ing anarchy.

our body politic, democracy ised by government (i.e., ti) of the people by their d representatives. What guides democracy from forms of government, that the rulers are elected so be replaced if they do roadly, reflect the views of ajority of citizens. It is in- eland that the elected in- government take de- which bind citizens without ex- plicit support.

I clear that trades unions ac- quired enormous political in Britain — in my view is of the cynical irresponsi- bility of the Government, that may be, it is surely is that they do not, in fact, is responsible democracy.

present Ford dispute is m- plying. It cannot be other- wise for the Union to say de we want 30 per cent offer of 5 per cent is an and we won't work until increase the offer." It is clear breach of last year's sent which still has a "the rule" which states the agreed grievance pro- cedure.

The union does not seem to be trying to show en that their conduct is ousable.

position is indeed ex- ilarly by the TGWU an organiser, who said that don "could not accept a- tion on the basis of a self- ing productivity deal — the income would be equal to the income paid. While

the union claim some part go concerning one of the respondents who rang up a former ambassador at his home! "Mr. Smith is not in, can the reply, "But Mr. Smith," said my colleague. "I recognise your name." "Granted for a moment that it is Mr. Smith," came the immediate response, "he is surely the best judge of whether or not he is in."

David Shepherd.

47, Seaford Road, Southbourne, Bournemouth.

Telephone manners

From: Mr. W. Goodchild

Sir,— Fifty years ago, every schoolboy knew "the telephone dit 'Allo Allo'" in those days I worked in an old fashioned office where incoming calls were sometimes countered with the statement "I'm sorry, Sir. Blank does not use the telephone. Please write." Our chief clerk would answer the phone with the curious question "Are you there?"

The candlestick type of instru- ment was perfect for dealing with obscene calls—you just put the earpiece by the mouthpiece, and the resulting electrical shriek temporarily deafened the miscreant at the other end. Nowadays I am told, a police whistle, kept by the instrument, can be blown to quench the abuse.

But what can give more satis- faction when faced with a rude or irritating call than the gentle hiss of the telephone — and, if he calls again, is met with the bland statement "I'm so sorry, we seem to have been cut off."

Walter Goodchild.

47 Seaford Road, Southbourne, East Sussex.

Telephone manners

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with the bland statement "I'm so
sorry, we seem to have been in
water."

Walter Goodchild,
27 Grosvenor Road,
Leamington.
Last Sussex.

Payment by results

from Mr. E. Dyke
The workers at Ford
claim they have produced the
company's record profits from
which they now wish to extract a
30 per cent pay rise.

A case no less valid can be put
for Ford's customers in support
of their reaction. Given the
logical progression is that in
time, even the lower paid will be
able to buy a new Ford car. The
surest road to full employment
and economic growth.

It appears, however, that all
this may not be brothers and
the public ally is that those with
sufficient muscle will secure the
higher wages they seek, no doubt
hidden, within some obscure
"productivity" deal.

Having been nursed within the
traditions of a fair day's work for
a fair day's pay, it is difficult
to understand what is meant by
"productivity." Can it be the day
is not far distant when one is
formally employed at a given
wage to work, and then paid over
and above for what one produces
or does?

E. D. Dyke

19, Approach Road,
Margate, Kent.

Farm machinery buying

from the Director General of Agricultural Engineering Association.

Sir,—The voice of John Cherrington is unique and valued by many in the farming world, but one feels that the readership of September 22 is entitled to a more balanced view from its pages. The article on farm machinery was a personal view; he did not attempt to gather the views of the relevant trade associations.

For the record, buying has not collapsed; it has moved to more normal levels following the eighth it reached during recent years and referred to in the article. There is the market for tractors and combines

We enjoy Mr. Cherrington's opinions, but we would appreciate a little more objectivity.

Small businesses and banks

From Mr. C. Bryson

SIR—Mr. Corby's letter (September 20) concerning bank assistance for small businesses raises a number of questions.

In the current debate there are sometimes some confusion or lack of precision in the term "small business." Mr. Corby states that a "small businessman will often find it difficult to present his case to a bank in a skilled manner so that he often gets into difficulties because of financial inexperience. If I were a bank manager, I would agree that many "one-man" businesses with up to 10/20 employees come into this category.

As a contrast, however, it is supported in the current issue of "The Banker" Magazine that at a

A temporary jobs system

from Mrs. B. Glendon.

Sir,—Mrs. Mills (Sept. 23) asks—some popular claims about the effects of social security on unemployment levels. But there is no hard evidence that social security is a major cause of unemployment. Cutting little bits off social security will certainly cause not be socially just nor will it greatly effect unemployment.

Why, however enlarge' on the employer's suggestion that the unemployed be required to have a go at some sort of job even if they are not really suited to it? It is not easily used enforcing this requirement after six months of unemployment as she suggests; that is little different from the existing g system. This requirement would be enforced if possible within the first week of unemployment and for the following seasons.

It is inevitable that a certain proportion of the workforce is not suited to the available vacancies and thus face the time in the East, Europe, etc. This unemployment is temporary because it is

Management

Management with a smile

from Mr. D. Fenn

Sir,—I refer to Michael Dixon's article of September 26 in which he announces a 1979 European championship in management games following UK national championships attracting entries up to 1,000.

It would indeed be interesting to know why participants are so underemployed that they can waste time and energies on unproductive activities.

If these people are so expert making business type decisions against the pressure of time and competition, why are they not using it in real life and therefore benefiting their companies and the gross national product in everyone's interest instead of competing for the Gold Medal which will no doubt be presented Olympic style with 1, 2 and 3 on the podium with the respective national flags being raised accompanied by anthems.

J. Fenn.
Cole Port Road,
Wickham, Middlesex.

**DON'T WASTE
YOUR TIME
IN SOUTH
AMERICA.**

It's a reasonable assumption that any businessman planning a trip to South America would rather spend his time doing business than sitting about in airports.

But if your itinerary involves travel to a few major South American cities that is exactly what you could end up doing.

Fly Aerolineas Argentinas, after all we know the interior of South America better than anyone else.


We fly 747's and 707's direct to Rio and Buenos Aires with connecting flights to 46 other South American cities.

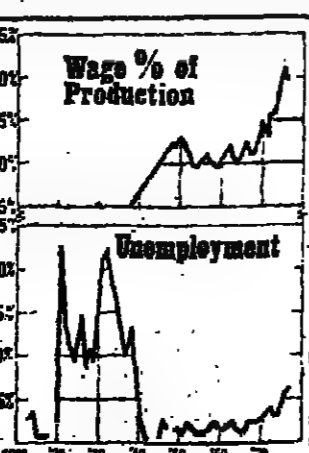
We have up-to-the-minute information on flights, times and connections.

And you can book everything here in England.

So, next time you're flying to South America

Aerolineas
Argentinas.

 **AEROLINEAS
ARGENTINAS**



at home
callers

Mr. D. Shepherd

I am in complete agreement with all that Miss J. L. has to say ("Name us" September 23), except when faced with the q/surname combination she favours on the telebut not, presumably, in incidence. I am faced with the of being presumptuous tating her as Mrs. when Miss, or vice versa, or possibly familiar by ushkin surname, or downright using name, or surname.

This having been done there is a firm relationship as follows. There is a right level of wage, about 80 per cent as in 1955, at which unemployment is minimal. If however wage is above or below this level there will be unemployment, which will tend to increase because high wages go up and low wages go down.

This is, of course, to be

COMPANY NEWS

L & G Holds £9.5m as loss on underwriting jumps fourfold

AN INCREASED operating profit for the first half of the year of £7.9m, against £7m, is reported by Legal and General Assurance Society, despite a poor underwriting performance over the period.

The underwriting loss in the six months amounted to £2.6m against a loss of only £0.9m in the first half of 1977. The drop was compensated by a £2m rise in investment income to £9.5m, a slight increase in life and pension profits to £4.2m, and slightly lower expenses of £1.2m, so that the pre-tax profit amounted to £9.5m, against £8.6m in 1977. A lower tax charge enabled L & G to record a better operating profit over the period.

The group's underwriting results were affected both by the adverse winter weather in the UK, the weak Australian market and the current problems in the reinsurance market. The UK account showed a loss of £0.5m compared with a virtual break-even position in 1977, with severe fire and bad weather losses in the first quarter accounting for the situation. The company reports a much improved underwriting position in the second quarter.

The reinsurance account, almost all of which comes from the Victory Insurance, the reinsurance subsidiary, had a loss of £1.1m at the half-year stage. The company points out that international reinsurance results were difficult to gauge until late in the year, but it was considered prudent to provide for an underwriting loss.

The Australian account also deteriorated markedly from a break-even position in a loss of £1.8m. This result, however, con-

firmed the results of other insurance companies in that country and reflects the fiercely competitive position. Mr. Peet, chief executive of L & G, states that the group is prepared to forego business rather than participate in unprofitable rate-cutting. The loss arises from the further strengthening of reserves for Workers' Compensation business.

The company's new unit linked operation launched in October last year, has made encouraging progress and the funds now managed amount to £5m, he adds.

Premium income from pensions reached £13.9m (£14.6m) and from individual life £79m (£87.5m). The net interim dividend is stepped up to 2.265p (£0.57p). The final last year was 3.86p.

A geographical analysis of short term business premiums shows UK £31.3m (£26.1m); Australia £11m (£10.8m); rest of world £4.5m (£5.5m); international reinsurance £2.8m (£1.8m); and marine £3.5m (£2.7m).

A similar analysis of underwriting loss shows UK £0.5m (£0.9m); Australia £1.0m (£0.5m); rest of world £0.1m (£0.3m); international reinsurance £1.1m (£0.3m); and marine profit £0.03m (£0.03m).

Long-term profits: Life £1.2m (£1.1m); Investment £1.1m (£1.0m); Share assets £0.8m (£0.7m); Expenses £1.4m (£1.3m); Pre-tax profit £9.5m (£8.6m); Tax £0.9m (£0.8m); Attributable £8.6m (£7.8m).



Lord Caldecote, the chairman of Legal and General Assurance... first quarter particularly unfavourable in the UK

HIGHLIGHTS

Group operating profits at Legal and General are 51m higher at the half-year stage despite an underwriting loss of £3.6m. Interim profits at Tootal are 9 per cent reflecting poor exports (UK are a third lower) due to Nigerian import restrictions and some falling off in Middle East spending. Feseco Minsep has been finding the trading climate over the past five years or so increasingly tougher and there are no signs that the trend has been broken this year with first-half profits only 7 per cent higher. Elsewhere, Alpine Holdings has shown strong recovery now that it has cleared the decks of the loss-making activities and could be heading for full year profits in the region of £1.8m. Growth at Campari, however, has slowed considerably with profits only 7 per cent higher on the year against a gain of 55 per cent last year.

Thomson T-Line £119,817 deficit in first half

DUE MAINLY to the continued recession in the touring caravan industry, Thomson T-Line Caravans reports a pre-tax loss of £119,817 for the first half of 1978 compared with a £55,955 profit last time. External sales were down slightly from £2.18m to £2.12m.

The directors say that the recession necessitated a reduction in the company's work force to match the lower demand, and resulted in considerable redundancy payments.

For the whole of 1977 the company incurred taxable losses of £22,440 compared with profits of £10,772.

There was a tax credit for the six months of £72,306 against £30,862 charge, reducing the deficit to £47,531 (£25,303 profit), giving a loss of 2.92p (1.46p earnings) per 25p share.

The net interim dividend is unchanged at 1.63p net, costing £25,430—last year's final was 3.66p also.

In March 1978, the company disposed of its interest in the Kincaid Caravan site, at Elie, Fife. This site was held in the company's books at £144,888 and realised a total of £203,928. The surplus of £59,040 has not been incorporated in the results.

Rosedimond improves

After-tax revenue of Rosedimond Investment Trust for the six months to July 31, 1978, improved from £122,238 to £126,476 on gross income of £235,688, against £213,874.

Higher interest payments and exchange loss hit Tootal

MAINLY BECAUSE of adverse exchange rate movements and higher interest charge, taxable profit of Tootal, thread and textile manufacturer, was cut from £5.84m to £3.04m in the six months to July 31, 1978, on sales ahead to £124.4m, against £130.5m last time.

However, the directors say that the order books indicate improved profits for the remainder of the year. Overseas performance exceeds that of the first half of 1977 and this trend is expected to continue. Last year the group expanded the surplus by close on £4m to a record £21.7m.

In the UK, trading conditions during the half year were difficult and the surplus at the trading level slipped back to £11.83m (£12.03m). The exchange loss reached some £200,000 and profit was struck after interest of £3.7m (£2.2m).

The net interim dividend is raised to 10.9p per 25p share—the final last time was 1.525p. Tax of £5.19m (£4.12m) left the pre-tax profit at £3.04m (£5.84m). The new basis for providing for deferred tax had been applied last year the first half and tax charge would have been about £300,000 lower.

The acquisition of the 40 per cent stake in Bradmill Industries of Australia and the proposed merger with the company of the group's Australian household goods and domestic interest will not have a significant effect on profits before tax until 1979.

See Lex

C. Walker sticks to forecast

PRE-TAX profits of C. and W. Walker Holdings were marginally ahead from £239,000 to £250,000 for the 26 weeks to July 29, 1978. In his annual statement in May, Mr. G. Lewis, the chairman, said plastics for an industries.

Alpine Hldgs up £0.5m midterm

INCLUDING £205,000 from Dolphin Showers, acquired on April 20, taxable profits of Alpine Holdings rose from £233,000 to £720,000 for the 27 weeks to August 6, 1978. The comparative figure for the first half of 1977 was £519,000. The group's industrial window activity which has been discontinued.

Profit for the full 1977-78 year was £590,000 (close to the group's peak of £630,000 in the 1972-73 year) and the directors then said that with the benefit of a contribution from Dolphin they looked forward to a significant improvement in profits in the current year. They now restate that statement.

Earnings per 3p share are trebled from 1.63p to 3.16p and to reduce disparity the interim dividend is stepped up to 1.54p (£0.39p) net—last year's final was 1.65p. The directors add that the increase also reflects the group's policy of progressively increasing dividend payments in line with profits growth.

Net asset value per 25p share at half-time reached 131.7p (£3.5p) and earnings came out at 2.11p (£0.4p). The net interim dividend is raised to 2.1p (£0.5p)—the second interim last time was 2.18p.

At half-time, the group's assets were £1,127,153 (£1,127,153) and liabilities £1,127,153 (£1,127,153).

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that further profit growth had been budgeted for in 1978 and subject to unforeseen interruptions, the directors expected to meet this forecast. The 1977 pre-tax figure was £746,721.

Included in the 1977 figures are the £33,000 losses and termination costs incurred by subsidiary F. Alkermat (Devonland) GmbH, which ceased trading on June 30, 1978.

Turnover for the period was ahead from £2.75m to £2.75m. The directors state that production in the UK continued to improve, but other factors during the second quarter fell below budget. However, since the middle of the year, group companies have experienced an upsurge in both the quantity and quality of enquiries, which they say should affect order intake for the latter part of the year.

Against an adjusted 1978, with regard to the 1978 year, August 1977, earnings are £2.75m (£2.75m) and the interim dividend is stepped up to 2.75p (£0.5p) net and the directors intend to declare a final dividend of £2.75p (£0.5p) net.

Walker is a specialist in the heavy metal fabrication and engineering in engineering plastics for an industries.

charges, and foreign exchange setbacks.

For the first half of the current year, the group reports that it had slipped deeper in the red, with a loss of 4.2m profits, compared with a loss of 2m profits last time.

At operating level, the group suffered a loss of £60,000 margin, compared with a profit of £3m in the first half of 1977. The loss was due to a combination of factors, including a loss of 4.2m profits, compared with a loss of 2m profits last time.

Further weakening of the U.S. dollar caused an exchange loss of 400,000 pence, while the interest burden continued at a high level, the directors state.

The group is looking into the disposal of non-core producing assets to reduce borrowings and related interest payments, while its long outstanding dispute with the Singapore Government over construction work carried out between 1972 and 1973 is still under arbitration.

Longton Transport

Mr. Alfred J. Dale, chairman of Longton Transport (Holdings) told the AGM that the first few months of the current year and started well. All divisions of the group had shown improved results in the first quarter, compared with the same period in 1977 and the chairman expressed confidence that during the current year the group would be able to improve on its present level of profit.

P & O offshoot slips deeper in the red

Boris South-east Asia Berhad, the Malaysian-based engineering, construction and property group and a subsidiary of P & O Steam Navigation, is still saddled with heavy losses, arising from poor operation results, high interest

operation results, high interest

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Provincial Ins. down at halfway

AN UNDERWRITING loss of £555,000 at the half-year stage, against a corresponding profit of £572,000, resulted in pre-tax profits of Provincial Insurance falling to £1.7m from £2m in the first half of 1977. Investment income was marginally higher at £2.9m compared with £2.8m and there was a small contribution of £35,000 profit from life business. Tax and minorities accounted for £71,000 compared with £14m so that there was a net profit over the period of £10,000 compared with £1.7m.

The disappointing underwriting results reflect an extremely difficult first quarter. But it has been followed by a substantial improvement in the second quarter. Total reserves at the end of June amounted to £46.1m compared with £38.5m at the end of December and the solvency margin over the period improved to 85.3 per cent from 60.5 per cent.

The company reports buoyant life business over the first half of 1978. New annual premiums advanced by nearly 70 per cent to £410,000 from £245,000, while single premiums were 75 per cent higher at £1,070,000 against £613,000. Single premiums on annuity business jumped to £57,000 in the period compared with only £3,000 in the same period in 1977. New sums assured totalled £20.2m compared with £18.6m.

The interim dividend is 6.711p net—equal to 9.8078p (£9.16p) gross.

Malayan Cables hit by loss of major orders

Malayan Cables Berhad, the 53 per cent subsidiary of British Cable, suffered a setback in its half-year results, incurring a loss of 370,000 ringgits, compared with a pre-tax profit of nearly 2m ringgits for the previous first half.

The directors said the loss was largely due to the discontinuity in orders from the company's major customer for telephone cables. However, the company was awarded a 58m ringgit contract by the Malaysian telecommunications department in August, and second-half results should reflect a steady improvement in profits, the directors comment.

Jove reaches £0.2m mid-year

Net revenue of Jove Investment Trust amounted to £201,603 for the half year to August 31, 1978. This compared with an estimated £180,000 last time had the results of Kingside Investment, acquired in June this year, been included.

Earnings per 10p income share for the first half was 1.42p and net asset value at half-time stood at 50.4p or 2.9p per capital share. The net interim dividend is, as forecast at the time of the acquisition, maintained at 1.7p. The total for 1977-78 was 3.3p.

Copies of the Report and Accounts can be obtained from the Secretary, 101/103 Great Portland Street, London W1.

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and we can look forward with confidence to a year of continued progress.

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Growth at home and abroad

Redland increased earnings per share by 20% in a difficult year for the construction industry.

Progress made in all main product and geographic areas of activity.

Major investments planned at home and overseas. Particular emphasis on increasing involvement in the United States.

Redland—a good example of free enterprise working for Britain.

Year ended 25 March 1978	1978 £m	1977 £m
Sales	270.56	233.97
Profit before tax	39.44	34.16
Profit attributable to Redland Ltd	18.86	15.19
Net assets employed	171.77	147.89
Return on capital employed	24.12%	24.37%
Earnings per ordinary share	20.08p	16.62p
Dividends per ordinary share (net)	4.22p	3.78p
Assets per ordinary share	102.07p	88.07p

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ISSUE NEWS

Southwark issue flops

The application list for the issue of £25m London Borough of Southwark 1987 offered at 200p per cent has closed under-subscribed.

WATER OFFER

Arrangements are in hand for an offer for sale by tender of £1.5m 7 per cent redeemable preference stock 1983 by West Kent Water Company.

RICARDO & CO.

Ricardo and Co. Engineers (1927) announces that acceptances have been received in respect of about 95.9 per cent of the 573,573 new ordinary 25p shares offered by way of rights at 200p per share. The balance has been sold for the benefit of entitled holders.

Fosco Minsep tops £8m Campari just ahead - plan in first six months for scrip to boost payout

Increased sales of £100m in 1977, profits before tax of £8.2m, the first six months of 1978.

The mistake does not affect any of the other figures in the interim results.

Record £0.63m by Startrite

AS FORECAST, the Startrite Engineering Group has produced record pre-tax profits for the year ended June 30, 1978, up 53 per cent to £632,718. At mid-year profits were ahead from £156,800 to £214,448.

Earnings per share are given as 25.02p against 21.2p and a final dividend of 2.48p raises the total from 3.48p to a maximum permitted 5.88p.

A one-for-one scrip is also proposed together with an issue of four £1 10p per cent cumulative preference shares for every 15 ordinary shares.

The directors say they are no longer providing in full for deferred tax and the 1978-79 figures have been revised so they are comparable. If full provision had been made, as in previous years, tax would have been £243,191 (£299,161) with £292,617 (£293,125) available for distribution. Earnings per share would have been 19.51p (£3.54p) they say.

Following a revaluation of land and buildings, a transfer of deferred tax to reserves, net asset value at June 30, 1978, was said to be £188p.

After the capitalisation issues, the net asset value of the increased ordinary capital will be 71p a share.

Advance by Throgmorton

For the year ended July 31, 1978, Throgmorton Secured Growth Trust, managed by Keyser Ullmann Investment Management, announces an increase in pre-tax revenue from £287,243 to £343,934. After deducting tax of £131,204 compared with £124,800 revenue

improved by 23 per cent from £172,933 to £212,750.

Earnings per 50p share are given at 2.13p (£1.75p) and the net final dividend is 1.8875p for a total payment of 2p (£1.75p) costing £200,000 (£187,500).

Over the period the net asset value, taking prior charges at market value, rose 29.5 per cent from 124p to 172.75p.

Revenue before tax: £40,554 297,243
Tax: 17,293 124,800
Available for and: 23,261 172,443
Brought forward: 2,484 15,461
Available: 25,745 187,904
Income tax: 4,322 11,252
Final: 13,750 124,250
Carried forward: 15,184 2,431

Pirelli General up £0.38m

DESPITE A lower copper price, sales of Pirelli General Cable Works were up by 6 per cent from £42.91m to £45.49m in the first half of 1978, and taxable profits advanced to £2,350 against £1m last time. Profit for all of 1977 was a record £6.04m.

Tax for the six months took £1.2m (£1.08m) and there was an extraordinary debit, last time, of £477,000. The interim dividend is 50.8p (nil). The amount retained was £1,350m (£1,440m).

The directors state that profit before tax, after adjusting for income tax, was up by 85 per cent increase for 1978-79. If on the other hand, Hyde guidelines, also showed an improvement over the corresponding period of 1977.

They add that provision has been made for the settlement with the Post Office in respect of cable supplied between 1963 and 1974.

A SCHEME to substantially boost its payments above the statutory level has been announced by Campari, the leisure and camping equipment group.

At the same time the group reports a further advance in taxable profit from £1.84m to a record £1.73m for 1977-78.

Indication that the board was considering such a move was given at the annual meeting in November following payment of a maximum permitted total dividend for the year of 1.848p net per 20p share at the interim stage.

The package effectively raises the total distribution by 65 per cent through a one-for-10 marketable convertible 2p preference share issue on which a 10p net dividend per share is to be paid annually from this November. These new shares will automatically be converted into ordinary shares after three years at the rate of one ordinary for every 10 preference.

In addition the company's B shares are converted into ordinary shares and a one-for-10 bonus is being made on that combined holding.

Mr. C. R. Benschel, the chairman, says: "We had hoped to give our shareholders a straightforward dividend increase, but in view of the continued dividend controls, we have devised this benefit scheme. We strongly believe that our shareholders should continue to participate in our growth."

"Should dividend restraint come off during the current year, we would wish to pay at least the same 85 per cent increase for 1978-79. If on the other hand, Hyde guidelines, also showed an improvement over the corresponding ways of rewarding shareholders will be explored," he adds.

Looking in the current year Mr. Benschel says the directors' object with cautious optimism some early financial rewards to come from the company's new investment.

However it is prudent to take a longer term view as further internal investment might be called up to consolidate the base strength necessary to maximise the financial return of the group's expansion programme.

"In 1978 we accomplished that which we set out to do—to move Campari on to a wider base of Pan European management, marketing and production. Current business is buoyant and our forward order book satisfactory," the chairman says.

Sales by the group which imports and distributes leisure, camping and boating equipment, were £1.64m higher at £16.02m for the year to May 31, 1978.

Tax credits down from £144,335 to £138,552 this time left not profit marginally up at £1.84m (£1.78m) for earnings per 20p share at 29.15p (£28.81p) or 24.09p (£24.78p) fully diluted. Retained profit emerged again at £1.68m.

No provision for either UK mainstream or deferred tax on stock relief was required. If full provision had been made for deferred tax, the total charge to profit would have been £200,016 leaving earnings per share at 13.67p (£13.02p).

During the year a large proportion of the group's production was completed and came on stream in August this year to service the German market. At home the group bought and fitted out new headquarters at Cricklewood, London.

comment

Apart from the income boosting preference scrip, Campari's full year announcement fails to excite. Compared with 1978-79, 41 per cent jump sales are only 12 per cent higher while profits growth has slowed from 85 per cent to just 7 per cent, and the shares slipped 6p to 130p. The new investment programme probably clipped about £100,000 off the profit figure but the main reason for the slowdown is that demand for camping and boating equipment (volume sales are only around 1 per cent higher). Prospects for the current year are much brighter however, in spite of the wet summer. At home there has been a strong upturn in consumer spending and this will have its impact as soon as retailers' stocks are cleared. Also, the new Munich warehouse should help boost sales in Germany where profits could eventually outstrip the UK contribution (more than two-thirds of trading profits). The ordinary shares stand on a p/e of 9.5 (fully taxed) while the yield, allowing for the extra income, is 3.4 per cent.

See Lex

A. Beckman slips by £149,000

WITH A slowdown in second half taxable earnings from £1,080,600 to £950,443, A. Beckman, fabrics converter and merchant, finished the year to June 30, 1978, with profit lower at £1,825,000 against £1,974,000. Sales slipped just over £1m to £18.32m.

Tax took £55,000 (£1,021,000) leaving earnings per 10p share at 8.58p (£9.35p). A net final dividend of 3.21p lifts the total, as forecast in March, to a maximum permitted 4.98p (£4.50p equivalent), and costs £307,000 (£354,000). Retained profit emerged at £1,518,000 (£1,490,000).

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Alexanders Holdings

Alexanders Holdings, the Ford motor distributors, made an 85m stake in the turnover figure the first half announced 12 1/2 ago. Alexanders gave the turnover £21.7m but it should have been £21.7m. The error was made by the company's auditors, F. F. Iles and Co., who added up turnover figures of the various subsidiaries. The figure of £21.7m was given to the accountants. Mr. Iles says that the error was made by the company's auditors, F. F. Iles and Co., who added up turnover figures of the various subsidiaries. The figure of £21.7m was given to the accountants. Mr. Iles says that the error was made by the company's auditors, F. F. Iles and Co., who added up turnover figures of the various subsidiaries.

Waring & Gillow to expand furniture side

Expressing satisfaction at the performance of the furniture division of Waring & Gillow (Waring & Gillow Ltd.), Mr. Manny Cusins, chairman, says in his annual statement that this speaks for the company's policy of holding prices at their most competitive and selling high quality goods. As the latter part of March, 35 carpet outlets were opened in the north of England under the name "Hardley Carpets". As these are opened within a matter of weeks, the company's turnover will be boosted. Mr. Cusins says that these new outlets should make a worthwhile contribution to group profits for the current year.

Additional furniture stores will be opened during the current year. Sites have already been secured for two. The outlook for

this division is encouraging, states the chairman. Sales are already substantially higher than in the corresponding period last year. On the clothing division Mr. Cusins reports that the recession in the clothing industry has not abated and has continued into the current year. As far as the manufacturing section is concerned, new methods and systems of production are being introduced, together with new middle management, to cope with the changing conditions.

As reported on August 4, pre-tax profits for the year to March 31, 1978, expanded from £2,760 to £3.1m. The dividend is effectively increased from 3.125p to 3.5875p and a one-for-10 scrip is also proposed. Great Universal Stores holds 31.4487 per cent of the company. Meeting, Sheffield, October 18, at noon.

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group results for the six months to 31 July 1978

In the UK, as predicted, trading conditions were difficult. However, better order books indicate improved profits for the remainder of the year. Overseas, profits exceed those for the first half of 1977 and a continuation of this trend is expected. The Board has declared an increased interim dividend on the Ordinary shares of 1.0p (1977 0.9p), absorbing £1,772,000. The dividend will be paid on 5 January 1979 to shareholders on the register at the close of business on 27 November 1978.

	1978	1977
sales to outside customers	194,371	180,535
trading profit before interest	11,828	12,030
profit before taxation	8,038	8,837
profit after taxation	4,852	4,716
profit attributable to ordinary shareholders	4,395	4,559

Movements in exchange rates between 31 July 1977 and 31 July 1978 accounted for approximately £300,000 of the reduction in profits before taxation.

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UK side helps Manders to 27% rise midway

REPORTING PRE-TAX profits of £1.21m in the first six months of 1978, the directors of Manders (Holdings) say that the outlook for the second half appears favourable. For the full year they expect an improvement on 1977, which produced profits of £2.37m. After tax of £760,000 against £580,000 the net profit for the first half emerged £147,000 higher at £781,000.

	6 months	6 months
	1978	1977
UK Profit & Print Ltd	1,100	831
Overseas-Prime Ink	100	163
Property	240	178
Profits before tax	1,540	1,214
Tax	760	580
Net profits	781	634

All UK trading operations have been satisfactory with the major contribution coming from improved results in the decorative division. Lower overseas income arises from a further deterioration in the results of the operations in Australia where the static market and depressed price levels are being experienced. The net interim dividend is lifted from 0.821p to 0.94p. Last year's total payment was 3.525p. The company operates as a manufacturer of paint, printing ink, etc.

B. Elliott's new division

Gate Machinery, a member of the B. Elliott Group, announces that due to the rapid growth of

the company in recent years, a new division to be known as the Victoria Machine Tool Co. is to be formed on October 1, 1978. The new company will be responsible for the supply of all the British manufactured and low cost plant which currently form part of the Gate Machinery programme.

Good start by Norton & Wright

For the first five months of the current year, turnover of the Norton and Wright Group shows a substantial increase on the comparative period last year. Mr. D. S. Rocklin, the chairman, tells shareholders in his annual report. To cater for the increasing demand for the group's products, a six-acre site has been acquired close to the Kirkstall Road premises. A new factory and office complex will be built on this site for expected completion in 1980, the chairman says.

To cope with immediate expansion plans, an additional property of some 11,000 sq ft has been acquired which is also close to Kirkstall Road. This property will be occupied and operational before the end of this year.

For the year ended March 31, 1978, profits before tax increased from £58,506 to £94,033 on turnover of £3,866 against £2,771m. Exports amounted to £1,090m, up from £800m in 1977. Exports to Scandinavia amounted to 70 per cent of exports, the

remainder being mainly to Australia and Western Europe. Principal activities of the group are the production and distribution of lottery tickets, fund-raising cards and schemes.

Referring to the Lotteries and Amusements Act 1973, the chairman says the group had prepared itself for this market by developing new products which have been supplied by Opax Lotteries International N.V. to local authorities on a national basis through the associate company, Competition Management Services Co.

Commenting on the Royal Commission on Gambling, Mr. Rocklin says many of the abuses listed by the Royal Commission could be prevented by adequate control and inspection at the manufacturing stage and, therefore, while the group endorses the recommendation of the Commission that Gambling Board inspectors supervise manufacturers, "we would welcome more stringent controls by the implementation of a system that would approve and license manufacturers".

At August 27, the Thrommorton Trust held 3.8 per cent of the group's capital.

Norton and Wright is "close", Meeting, Leeds, October 19.

PHILIP HILL DRAWS MORE

Philip Hill Investment Trust announces that a further U.S. \$500,000 of the additional multi-currency facility of \$5m announced on June 3, 1978 has been drawn, bringing total drawings to date to \$2.5m.

MINING NEWS

Ashton share offering enlivens market

BY JAMES FORTH IN SYDNEY

THE eagerly-awaited public flotation of Ashton Mining values the Kimberley Ranges region of North Western Australia at about A\$130m (£88m).

The public is being offered 35m shares at 50 cents each for a 40 per cent stake in Ashton Mining with Malaysian Mining Corporation owning the remaining 60 per cent.

The public issue is being made to take advantage of the recent relaxation of Australian Government's foreign investment guidelines.

The other partners in the Ashton venture are the Rio Tinto Zinc offshoot, Conzinc Riotinto of Australia with 22.5 per cent, Tanziyika Holdings with 8.2 per cent, Sibeka of Belgium with 7 per cent and Northern Mining with 5 per cent. Ashton Mining has 23.5 per cent.

Shareholders are tipping an opening price of at least A\$1.00 a share, and perhaps A\$1.50.

The front cover of the prospectus carries a caution that Ashton is a speculative investment and that the company's assets are still very much at the exploratory stage, with much more work needed to reach the development stage.

The prospectus contains a report prepared by Mr. R. Baxter-Brown, a leading South African diamond exploration consultant. The report shows that three main diamond exploration areas of interest have been outlined: the King George Province, the Eastern Province and the Southern Province.

The bulk of the current exploration programme is being carried out in the Southern Province, east of Derby, on a prospect known as Ellendale.

Mr. Baxter-Brown said that the Southern Province, which to date included by far the most important kimberlite discoveries, may be found, following more detailed work to separate into several discrete kimberlite structures. A total of 18 pipes ranging in size from four to 114 hectares with a total surface area of 816 hectares had been discovered up to July 31. The largest pipes pre-

viously reported covered a surface area of about 50 hectares.

"The significance of these discoveries lies in the very large size of some of the pipes delineated, the recovery of commercial sized diamonds from actual excavated and treated pipe rock and the remarkable similarity of this cluster to the classical type areas of Botswana and South Africa," said the report.

A large single stone found to date weighed 1.76 carats, and was of good colour but had poor crystal shape.

The report said that the geology and structure of the Kimberley of Western Australia bore a strong resemblance to similar stable shield blocks in Southern Africa and there was a "very justification" to explore for diamonds in kimberlite and to expect them to occur in payable quantities.

It could equally be expected that the pipes would occur as clusters. The area covered more than 225,000 square kilometres of essentially unexplored and near-uninhabited country.

The target area was as big as the entire diamond producing area of the central South African plateau, which included such economic diamond producing kimberlites as Finsch, Dutoitspan, Wesselsfontein, Koffiefontein, Premier, Bellsbank, Star and Swartkops.

Further comparison showed the target area to be nearly as large as Botswana where, during the past 15 years, exploration had led to the discovery of several major kimberlite clusters, the report said.

From Perth, Don Lipson adds: The diamond rush in Western Australia accelerated yesterday when four associated companies were granted a total of 800 sq km of temporary reserves for exploration in the Kimberley region, the main area of activity.

In similar announcements to the Perth Stock Exchange, Siberia Nickel, Hill 60 Uranium, Forestry Mineral Exploration and Lightning Ridge Mining reported com-

mitments to A\$50,000 of exploration expenditure each in the first year.

All the blocks take as their datum point Mount North, 190 km east of Derby. Three other temporary reserves have been allocated to companies which like these four, are effectively controlled by Mr. Peter Briggs, the entrepreneur.

The companies claim that their block will form one of the largest single diamond prospecting areas in the Kimberley region under integrated management. Initial exploration involves aerial photography.

In geological terms the companies stated that the areas selected for exploration covered "a north westerly extension of the palaeozoic sedimentary basin at the margin of the protocrystalline Kimberley block."

Paul Cheswright writes: In London yesterday, the market greeted the news of these latest Australian diamond developments with unreserved interest. The main focus of attention was inevitably on the Ashton Mining share issue, which drew in buyers for stocks connected with Ashton diamond venture.

But even the Briggs companies, not in recent years of much significance as trading counters, attracted some small speculative buying as they joined their names to the lengthening list of diamond hopefuls.

Whether the interest in the diamond issues will be maintained without solid news is a moot point. It was noticeable in Sydney overnight that the Ashton Mining prospectus had only a short-lived effect on the market.

Conzinc Riotinto, the Ashton venture leader moved by higher to 324p, while its London parent, Rio Tinto Zinc, advanced in sympathy by a similar amount to 248p. Northern Mining, with a small stake in Ashton and a recent record of speculative price fluctuations, went 3p higher to 187p.

Prices for the Briggs companies were Siberia Nickel 11p, Hill 50 Uranium 22p and Forestry Mineral 17p. There is no market in Lightning Ridge.

Prices for the Briggs companies were Siberia Nickel 11p, Hill 50 Uranium 22p and Forestry Mineral 17p. There is no market in Lightning Ridge.

OIL AND GAS NEWS

Great potential in Beaufort Sea

MONTREAL, Sept. 27.

PARTIAL oil and gas production from the Dome Petroleum wells in the deeper waters of the Beaufort Sea, above the Mackenzie Delta in Canada's Northwest Territories, could begin by 1983, barrels a day in 1970.

A spokesman for Delphi described the oil flow as "highly significant and encouraging." He suggested that the structure was not large but that it upgraded the potential of nearby areas.

The Beaufort Sea would be deepened and further evaluation carried out to determine the extent of the discovery. The Cooper basin contains substantial natural gas reserves, and supplies the Adelaide and Sydney markets.

Santos, which holds a 35 per cent stake in the Strzelecki venture, is currently under attention because of proposals by Burmah Oil of the U.K. to sell its 27.5 per cent equity in the company to a group headed by Bend Corporation Holdings. Santos is seeking a court injunction to block this deal and claims that Burmah is in breach of a long standing agreement to seek the approval of the Santos board before it can transfer its holding to a non-Burmah related corporation.

Recent seismic work offshore Beaufort Sea, suggests well for very substantial future reserves.

If a major discovery is confirmed this year, the oil should be possible to carry out step-out wells during 1979, development drilling in 1980, currently with the design and construction of equipment and marine transportation systems to carry the oil and gas to market.

Recent seismic work offshore Beaufort Sea, suggests well for very substantial future reserves.

Annual volume is 365,000 cubic feet of gas and 200,000 barrels of oil daily could be produced by 1983, he said. Gas output could rise to 1.1 trillion cubic feet a year, and oil output to 50,000 barrels daily by 1985.

CSBN would be needed for a 1985 target, including drilling, production and transportation. A test well would be needed to meet the 1980 target.

Sea transportation is regarded as the best method, including LNG systems for the gas. Dome's plans for a heavy 10 inch diameter pipeline, which would be drilled by the Total-Sevcon group, are active again. The technological challenge of the Beaufort Sea is not substantially greater than for the North Sea, Mr. Richards concluded.

The potential for further discoveries of on-shore oil in Australia has received a boost with an oil flow in a well drilled in South Australia's Cooper Basin, reports James Forth from Perth, Western Australia.

A consortium led by Santos, the permit, Santos is committed to a 10 year exploration programme, which would allow oil as the operator, recorded a lead to the drilling of four wells of 2,400 barrels of oil a day within the 3,240 sq km permit in the Strzelecki No. 3 well. It is area and the spending of A\$14.3m the largest daily flow recorded on over the next six years.

land in Australia. The previous biggest flow was from the Tirrawarra No. 2 well, in South Australia's Patches area, which was reported a rate of 1,300 barrels a day in 1970.

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Fraser Ansbacher expansion

SPEAKING TO shareholders of Fraser Ansbacher at yesterday's annual meeting, Sir Samuel Goldman, the chairman, said he hoped it was now possible to say that the process of reorganisation was almost ended.

The last stages of withdrawal from the boatbuilding and marina business still had to be completed, Sir Samuel said. The boatbuilding operations were being run down and would shortly cease.

These were valuable assets and it was intended to secure a fair price for them. On the basis of the professional advice received there was no reason to believe that further provision, beyond the £113,000 referred to in the accounts, would be necessary. "Of course, if it should be required the remaining unallocated general provision is available to meet it," Sir Samuel said.

Henry Ansbacher, the bank, was now the prime operating company with a number of profitable subsidiaries. The traditional merchant banking services would be expanded and new areas of activity investigated.

A return to full profitability and the payment of dividends was the foremost objective, the chairman said. He welcomed the interest shown in the company by the M and G Unit Trust group through their purchase from Giltspur of 4.7 per cent of Fraser Ansbacher shares.

At the extraordinary general meeting which followed, shareholders approved the terms of the agreement for the sale of R. Fraser Securities to Parkraven Investments.

The directors of Amalgamated Stores report a reduced loss of £17,532 for the March 31, 1978, compared with £22,836 last time. Turnover was ahead from £133,974 to £273,586.

At the interim stage the company turned in a £12,031 profit against a £42,200 loss.

Amal. Stores assets expand

The directors of Amalgamated Stores report a reduced loss of £17,532 for the March 31, 1978, compared with £22,836 last time. Turnover was ahead from £133,974 to £273,586.

At the interim stage the company turned in a £12,031 profit against a £42,200 loss.

The directors state they are not yet able to report trading profits as they have concentrated on the further expansion and development of the group's asset base as the first priority, thereby creating a firm platform for future profitability.

As a result of this policy the group's net assets at March 31, 1978, stood at a figure approximately double that at March 31, 1977.

They add that revaluations during the current year, of properties held at March 31, 1978, together with the effect of the transactions announced on July 27, 1978, and certain transactions shortly to be announced, will further increase the asset base.

AB ENGINEERING

The directors of Associated British Engineering state that the preference dividend for September 30, 1978 will not be paid. The company has already announced the payment of six months' arrears on October 19, 1978.

Slump in Ayer Hitam profits

THE REPORTED warnings of a sharp drop in profits at Ayer Hitam Tin Dredging, one of the Malaysia Mining Corporation group of companies, were brought to reality yesterday when net profits for the year to June

30 of M\$4.9m (£1.1m) against M\$18.38m in the preceding year were announced.

With earnings per share down to 81 cents from 288 cents, dividends have been cut back. A final 90 cents per share net of Malaysian tax, was declared, bringing the total for 1977-78 to 180 cents against 230 cents, net of Malaysian tax, in 1976-77.

For the past financial year Ayer Hitam's No. 2 dredge has been working low grade tailings. This output was reduced to 1,795 tonnes of tin concentrates from 4,134 tonnes the previous year, stopping the company from gaining the benefit of the generally higher level of metal prices.

But a company statement pointed out that the dredges are now operating in virgin ground. This should result in a brighter set of figures for the current year. In the first two months, tin concentrate production at 327 tonnes ran 82 tonnes ahead of the same period last year.

Tanah Mines Malaysia, another unit of the Malaysia Mining Corporation, is also paying a lower dividend. It has a substantial interest in Ayer Hitam.

An interim dividend for the year to next December of 15 cents (3.4p) net of Malaysian tax, was declared yesterday. This compares with a payment of 18 cents at this time last year and total dividends for 1977 of 32.5 cents.

In the six months to June, Tronoh's net profits were M\$5.9m (£1.33m) compared with M\$5.86m in the same period of 1977. Helped by higher metal prices the profit on mining operations was nearly doubled to M\$3.14m, but the share of profits from associated companies was severely cut to M\$1.4m from M\$7.35m.

In London yesterday, Ayer Hitam shares were unchanged at 345p but Tronoh shares slipped 5 to 223p.

METRAMAR SETS OUT ITS PLANS

Metramar Minerals, the Sydney company which was a partner with Anglo American in the ill-fated Blue Spur gold mine, has laid out its exploration plans in a circular to shareholders. This follows recent shareholder approval for the borrowing of A\$250,000 (£146,000).

As far as diamonds are concerned, Metramar noted its acquisition of a one third interest in a joint venture which has applied for claims and a temporary reserve in the Winnings Pool-Kennedy Range area of the Carnarvon Basin in Western Australia, these areas are con-

tiguous to claims granted to Conzinc Riotinto of Australia, the leader of the Ashton venture.

The joint venture has also applied for claims south of the Leonard River in the Kimberley region. At the same time Metramar is a member of a consortium of four companies actively exploring in the Kimberley region.

Metramar has also negotiated to acquire 66.6 per cent of Western Alluvials, thus making that company a wholly-owned subsidiary. Western Alluvials has an option over a licence to treat tailings at the Wiluna gold mine.

The gross value of gold at present price levels in the mine's calcine dumps was put by Metramar at A\$800m (£1.7m), while the apparent residue approximates to A\$25m. A study to determine the grade and distribution will be undertaken, followed by an examination of methods to establish the most economic method of future beneficiation.

Metramar shares were 21p yesterday.

SMALL RISE IN GOLD OUTPUT

South African gold production increased in August for the second successive month, the latest figures from the Chamber of Mines reveal. Output was 1,955,795 oz against 1,919,481 oz in July.

Although output increased in the first part of the year, it sagged in May and June. Production for the first eight months of the year at 15,111 oz is higher than the 14,871 oz recorded in the same period of 1977, but the output over the whole of last year was exceptionally low.

Belhaven Brewery

Mr. P. A. J. Salmon has resigned as the Lyons' food group representative on the Board of Belhaven Brewery, which Lyons has a 17 per cent stake.

The departure of Mr. Salmon was one of the requirements of the Department of Prices and Consumer Protection when it decided that Allied's bid for Lyons should not be referred for a Monopolies Probe. Allied has also agreed that it will dispose of the Belhaven interest it acquired with the Lyons deal.

ASSOCIATES DEALS

Hill Samuel and Co. sold 150,000 Courtauld shares at an average of 116.33 on behalf of discretionary investment clients.

Haliday, Simpson and Co. sold 2,047 Weston-Evans Group at 100p on behalf of an associate who held the shares jointly with non-associates.

Interim Results

Estimated and unaudited group results for the half year ended 30th June 1978

	6 months 30.6.78	6 months 30.6.77	Year 1977
	£m	£m	£m
Group Premium Income			
Pensions and life business	237.9	213.9	408.8
General insurance	75.1	62.9	123.2
Profit & Loss Account			
Long-term profits after tax	4.2	3.9	8.2
Underwriting loss on general insurance	(3.6)*	(0.9)	(3.9)*
Investment and other income	9.9	7.9	15.9
Associated companies' profits	0.2	0.1	0.3
	10.7	11.0	20.5
Expenses	1.2	1.4	3.1
Group operating profit before tax	9.5	9.6	17.4
Tax	1.5	2.5	3.0
Minorities	0.1	0.1	0.2
Group Operating Profit attributable to shareholders	7.9	7.0	14.2
Earnings Per Share based on group operating profit	5.48p	4.86p	9.85p

*Note: After a release of £1.7m from unearned premium reserve (1977 £1.1m).

An interim dividend of 2.26p per share (1977 2.05p) is payable on 2nd January 1979. The associated tax credit for U.K. shareholders is 1.115p per share.

For a copy of the full half-yearly report please complete the coupon.

To: Central Information Unit, Legal & General Assurance Society Ltd., Temple Court, 11 Queen Victoria Street, London EC4N 4TP.

NAME _____
COMPANY (if any) _____
ADDRESS _____

Legal & General
Assurance Society Limited

JOSEPH STOCKS & SONS (HOLDINGS) LIMITED

(Provision Merchants and Importers)

Extracts from Mr. D. W. Ostenfeld's statement

The Company again made progress during the past year. One of High Street price war and severe competition from all sides, with the familiar pattern of escalating costs and inflation.

Record turnover of £40.5 million was achieved, and the policy of continually updating all our plant and machinery has ensured that the Company is equipped to the highest standard in the provisions trade.

Pre-tax profits were £263,562 in the year to 31st March 1978 (£263,562) and a final dividend of 3.23p per share is recommended, making 4.33p for the year, the maximum increase allowed.

AN EXCLUSIVE FIVE STAR MORTGAGE PLAN FOR PROFESSIONAL PRACTICES

- * Up to 80% of Mortgage Valuation
- * 15 year period
- * Tailor-made repayment programme
- * Interest Only period available
- * Competitive rates

This is just one of the many financial services we provide to both Public and Private companies as well as the individual.

For further information contact:
CLP FINANCIAL SERVICES
122 Finsbury Square London EC2A 1AS
Tel: 01-628 6891-4



Foseco Minsep

Interim Results for the six months ended 30th June 1978

	Six months unaudited to 30th June 1978 £000	Six months unaudited to 30th June 1977 £000	Year audited to 31st Dec 1977 £000
Sales outside the Group	99,991	87,243	174,988
Profit before tax	8,356	7,625	14,318
Profit attributable to ordinary shareholders	4,011	3,797	7,189
Amount of dividend	972	867	2,100
Earnings per ordinary share	8.7p	8.3p	15.7p
Dividend per ordinary share	2.1100p	1.8900p	4.5761p

Group sales in all sectors are above the corresponding period in 1977. Although the level of world trade has remained depressed, there has been a modest improvement in steel production in many countries and this has benefited our steelworks sector. On the other hand

BIDS AND DEALS

New terms for Weston-Evans stake accepted by BMCT

The last obstacle to Johnson & Johnson's bid for Weston-Evans, the Lancashire engineering firm, was removed yesterday when BMCT, the management of Weston-Evans, agreed to accept 3's offer—following another rise in the terms.

BMCT controlling a 42.5 per cent stake and jointly owned by Graham Pearson Lacey and Cecil McBride—both directors of Weston—had rejected JJB's offer as too low.

BMCT, however, did not stop the going unconditional on Tuesday when JJB announced that it had increased its offer to 3's of 2.5p. At the time JJB increased the cash bid to 2.5p from 2.3p a share, it was lifted by further 0.2p making a total of 2.7p. This was enough to persuade BMCT to accept JJB's offer with more than 95 per cent of Weston.

The deal, valued at almost £2.5m—plus 23 JJB shares plus £17 cash for every Weston share.

It has been a hard fought battle which was sparked off by BMCT launching a bid valued at £6.7m. This was rejected under City Take-over rules after BMCT increased its bid to 30 per cent level.

DDA ACQUIRES

INTERSTATE MOTEL

DA International announces the acquisition of the Interstate Motel in London. The motel comprises nearly 30 bedrooms, a swimming pool, a bar and 400 extensive other facilities including two bars, a site of over one acre.

The motel is conveniently situated for the West End and Heathrow Airport. It is hoped to enhance the facilities in due course.

RIMSHAWE

PURCHASE

Rimshawe Holdings has acquired Aspas, a private company specialising in the oilfield industry, for £100,000 cash. At the last account.

THARSIS
THE THARSIS SULPHUR & COPPER CO LTD

INTERIM STATEMENT

Six months ended 30th June 1978

	6 months to 30.6.78 (Unaudited)	6 months to 30.6.77 (Unaudited)	Year 1977
Turnover	£2,226,638	£2,231,980	£2,904,064
Profit before Taxation	841,929	488,976	707,883
Estimated Taxation	112,400	1,210	17,941
Profit after Taxation	729,529	487,766	690,942
Weighted Sales Tonnage	685,942	564,246	1,090,560

Profit for the first six months to 30th June 1978 compared with the same period of the previous year, including land sales, as improved due mainly to the substantial increase in sales volume. An important maintenance operation was carried out on our shipping installations at Corrales, Huelva during the month of July which required a complete stoppage in loading for almost three weeks. Our customers had been advised of this operation and during the month of June took additional tonnage to cover the requirements of their plants in July. Consequently our shipments during July were extremely low, which will have an adverse effect on the results of the second half of the year and it is expected that the total sales for the year will be somewhat lower than last year. It is expected that 1978 will be a trading year similar in conditions and sales to last year.

The Company is still awaiting permission from the Spanish Exchange Control authorities to transfer the necessary funds for the final dividend of 8 pence per share (inclusive of a tax credit or tax deduction) declared at the Annual General Meeting on 15th June 1978 in respect of the year 1977 and payable at such time and in such manner as the Directors of the Company may determine. The Board are still negotiating with the Spanish authorities but it is hoped that satisfactory reply will be obtained shortly. Taking this into account your Directors have decided that it would not be appropriate to pay any interim dividend in respect of the current year but to await the final results for the year before making any dividend recommendation.

The procedure relative to the transfer of the mining and industrial assets of your Company to its wholly-owned Spanish subsidiary, Compañía Española de Minas de Tharsis S.A., to comply with the requirements of the Spanish mining law, is at an advanced stage and only awaits approval of the Spanish Ministry of Finance for its final implementation. Its approval is expected in the course of the next few months.

Registered Office:
6 West George Street,
Edinburgh G2 2HF
14 September 1978.

LONGTON

TRANSPORT (HOLDINGS) LIMITED

	1978	1977
Year ended 31st March	£'000	£'000
Sales	27,870	25,510
Profit before taxation	1,146	1,327
Profit after taxation	1,028	1,079
Earnings per ordinary share	15.5p	17.1p
Ordinary dividend per share	*3.85p	*3.44p
Maximum permitted		

Extracts from calculated Statement of the Chairman, Mr. Alfred J. Dale
Profit before taxation amounted to £1,145,610 for the year compared with £1,327,052. The reduction in profit before tax was, to a large extent, caused by adverse trading conditions in the steel stockholding and transport industries.

Transport, Storage and Distribution Division—A more stable situation as developed and trading is at a more satisfactory level.

Steel Stockholding—Trading prospects for the current year appear to be considerably brighter.

or Distributorships achieved some real growth in sales, with increased profits particularly in the last quarter of the financial year.

The Annual General Meeting, the Chairman said:

The first few months of the current year have started well. All divisions of the Group have shown improved results in the first quarter as compared with the same period in 1977. Providing we maintain a flexible and adaptable approach in dealing with the problems which may confront us, I am confident that during the current year we should be able to improve on our present level of profits.

Copies of the Report and Accounts may be obtained from the Secretary, Head Office, 473 King Street, Longton, Stoke-on-Trent ST3 1EU.

Talbox buys 29% stake in Hoskins & Horton

Talbox Group has bought 29.2 per cent of Hoskins & Horton formerly owned by clients of Artoc Bank and Trust at 150p per share. Talbox is currently in bid talks with Hoskins & Horton.

The clients of Artoc, a Bahamas-based bank with strong Middle East connections, bought their stake in Hoskins & Horton in February at an average price of 138p per share. The shares rose quickly on speculation of a bid which in the event came not from Artoc but from its 22 per cent owned UK associate, Talbox.

Crest Nicholson: Mr. G. R. Fox, director, has disposed of 20,000 ordinary shares. Birmingham Mint: Astra Industrial Group has purchased a further 35,000 shares making 190,000 in all (9.5 per cent).

Unitech: Mr. P. A. M. Curry and Mr. J. A. H. Curry, directors, have exercised their options under the executive share incentive scheme in relation to 8,000 and 8,000 pp shares respectively. Mr. A. G. Macpherson, director, disposed of 15,000 ordinary shares, 10,000 of which, he held as a trustee.

RIGHTWISE MERGER SANCTIONED

The merger of Rightwise, Deund Holdings, Gadek Indonesia and Arthur Court Investments, secured the sanction of the High Court on September 20 and dealings in the new Rightwise securities are expected to begin on Friday.

The Stock Exchange listing of Deund (previously suspended) has been cancelled and the new Rightwise shares and convertible loan stock issued under the scheme have been granted listing. Elections by holders of Gadek Indonesia shares to receive stocks were sealed down by a factor of approximately 6.25.

Pending the despatch of certificates, former holders of Gadek Indonesia shares who elected to receive stock and wish to verify their precise holdings of new Rightwise shares and stock are requested to contact the registrars.

ELLIS & GOLDSTEIN

Ellis and Goldstein (Holdings) has agreed to sell to Cope Sports the freehold premises at 81, Maritime Road, Stockton-on-Tees, together with certain items of plant and equipment for £280,000 cash.

The net book amount of the assets being sold is £255,000. The premises in Stockton, originally used as a ladies' dress factory, have been fully let since 1976 producing an annual rental income of £25,000.

The net cash released by the sale of the property will be used in the continuing development of E. and G's business, the company states.

J. F. NASH/BLACK AND EDGINGTON

The scheme of arrangement and amalgamation by which Black and Edgington is to acquire from J. F. Nash Securities the Galley Caravan Group, was sanctioned by the High Court. Completion will take place on October 4.

Eastern Produce buys insurance broker

Eastern Produce, the plantations group, has purchased for £750,000 the Ernest Notcutt Group, an approved Lloyd's of London insurance broker, in an attempt to balance the distribution of its UK and overseas earnings.

Eastern Produce, whose pre-tax profits in its last financial year were £7.2m, yesterday that the acquisition "will improve the spread of the group's interests and should help to bring overall earnings more into balance, as between the UK and overseas."

Engineering companies had been rejected in favour of an insurance broker because "insurance brokers have low capital requirements and inflation proof earnings," explained an Eastern Produce director.

Camellia Investments foresees improvement

All indications point to Camellia Investments achieving increased operating profits in 1978, say the directors, and if projections are realised then they expect earnings per share to show an improvement.

Since the commencement of the year the directors have directed the major portion of new investments into shares of those plantation companies in which, historically, it holds substantial positions. Generally the tea industry enjoyed a satisfactory year in 1977 and, although early indications are that profits for 1978 could fall significantly below the levels enjoyed during the previous few years, the financial strength of the companies within the portfolio is such as to suggest that they will be able to continue with their long term expansion and maintain their position as leaders within the industry.

As a consequence of the trading results achieved by those plantation companies in which the company is invested it is enjoying increased dividend income. Once again the company has realised modest gains from the disposal of some of its industrial investments resulting from a re-appraisal of their prospects. The directors say they would be disappointed if accounts for the year to December 31, 1978, did not disclose enhanced market values for the portfolio of investments.

Of the trading companies they report that the momentum of last year's trend of increased sales and profits has been fully maintained during the first six months of this year's operations. Prospects for philately, fine arts and antiquities remain good, so that with excellent stock levels the company should be able to continue to benefit. Accordingly, they anticipate that trading companies will all show improved results.

NO PROBES

The following proposed mergers are not to be referred to the Monopolies Commission: Y. J. Lovell (Holdings)/Farrow Group; National Enterprise Board/a substantial minority interest in Monotype Holdings.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.	
45 Cornhill, London EC3V 3PB.	Index Guide as at September 21, 1978 01-623 5314.
Capital Fixed Interest Portfolio	100.00
Income Fixed Interest Portfolio	100.00

CLIVE INVESTMENTS LIMITED.	
1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101	Index Guide as at September 26, 1978 (Base 100 at 14.1.77)
Clive Fixed Interest Capital	129.70
Clive Fixed Interest Income	114.31

CMG 1977/1978

Turnover	
77/78	£8.5m +26%
76/77	£6.8m
75/76	£5.4m
74/75	£4.1m
73/74	£2.3m

Earnings per share	
77/78	16.4p +67%
76/77	9.8p

Dividends	
77/78	35p +60%
76/77	5p

Copies of the report and accounts available from CMG offices.

CMG (Computer Management Group) Ltd
Lennig House, Masons Avenue, Croydon,
Surrey, CR0 1EH Tel. 01-688 2261

CMG

McLeod Russel gives warning of lower profits this year

IT WOULD be unrealistic to think of profits for the current year in line with those of the previous year, Sir John Brown, chairman of McLeod Russel and Co., tells shareholders, but despite difficulties, he still expects the group to be able to reach a reasonable profit.

So far as the UK is concerned, the chairman expects Buchanan's Warghousies to have a satisfactory year while the improvement at Broomfield's can be expected to be more than maintained.

The issue to the public in India of a 26 per cent interest in McLeod Russel (India) has been virtually completed and with it the rupeeisation of all the group's interests in India.

Because of the situation which has developed over the claim by the Indian Authorities to taxation on remuneration over a period of years of McLeod Russel and Co. (which has not and never has had any place of business in India) as Secretaries of certain of the sterling tea companies, there has been a hiatus in the remittance of post profits from India and in the past 15 months nothing has been received in respect of outstanding profits totalling an estimated £3.5m.

In the meantime, however, directors have been able to take advantage of a number of investment opportunities so that to date development has not been seriously affected by the hiatus. The period of steady growth in tea crops leading to the substantial increase in 1977 appears to have been temporarily halted, although, so far as the subcontinent is concerned, it is probable that, notwithstanding early setbacks, crops for the year may still show an increase, says Sir John.

The recent reduction in export duty has come just in time to dispel at least some fears that the distortion of markets arising from the level of the duty might result in the premium which the group might reasonably expect.

For the year ended March 31, 1978, profits before tax rose from £3.78m to £4.42m from turnover of £21.29m against £16.89m.

Referring to the group's major profit earner—tea—the chairman says the results achieved serve to emphasise the extent to which the group is still dependent on the tea industry in India for the bulk of its profits, notwithstanding the increase in the level of earnings in the UK.

In commodities, the group is now equipped to undertake substantial business. There is, however, some way to go before results justify the involvement.

At September 14, Assam Trading (Holdings) held 36.8 per cent of the ordinary shares of the group. All the directors of Assam Trading, including Sir John Brown, are directors of McLeod Russel.

House, Vernon Place, W.C., October 24 at noon.

Jersey Elec.

in first half

Pre-tax profits of the Jersey Electricity Company increased sharply from £377,144 to £1,066,000 in the half-year ended July 2, 1978, and have come close to the £1.1m achieved for the previous year.

During the year there was a £8m

BOARD MEETINGS

The following companies have notified shareholders of the date of their annual general meeting. Such meetings are usually held for the purpose of considering the accounts and to elect directors and auditors. Dividends are usually paid at such meetings or shortly thereafter.

So far as the UK is concerned, the chairman expects Buchanan's Warghousies to have a satisfactory year while the improvement at Broomfield's can be expected to be more than maintained.

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House, Vernon Place, W.C., October 24 at noon.

During the year there was a £8m

reduction in the group's medium and short-term loans to £20.4m at March 25, 1978.

Of the £20.4m, some £3.5m are medium term covered to the extent of £1m by funds deposited with overseas bankers. Of the short term, £5.2m were in the U.S. and the remaining £11.6m are in the UK and will be continued to be reduced where appropriate by sales of properties or by refunding on a longer term basis.

Meeting, 4, Savile Row, W, October 19 at 3 pm.

Despite a famine of building land and its rapidly increasing price Mr. Raymond Walker, chairman of Alfred Walker and Son, says he looks forward to the current year with optimism. He anticipates that the group will make a reasonable profit—following the recovery from £500,000 loss to £27,000 pre-tax profit last time—and forecasts a return to dividends.

Throughout the year to April 30, 1978, economies were made including some staff redundancies at head office and the closure of the joinery manufacturing department.

The demand for new homes shows a steady improvement during the second half with the result that it was possible to raise prices slightly to bring them more in line with current costs and the rapidly escalating price of building land.

Rowlinsons were reduced by £87,000. Bank overdrafts and loans were cut to £276,000 (£283,000) and net liquidity was up £73,000 (£1.1m).

The problems that existed at Barratts Buildings have now been overcome and there is a reasonable prospect of this company making a contribution to the group's profits during 1978-79.

To offset the seasonal nature and the unpredictability of the home market, a determined and successful effort has recently been made to establish new outlets and a considerable quantity of buildings has already been sold in Belgium and France, says Mr. Walker.

Hobbs and Knight continued with its private house building programme on sites in the South West and obtained and executed local authority and other contracts but fell into loss. This was caused mainly by the extremely inclement weather conditions during last winter, and the fact that the demand for homes has risen more slowly in this region than in the Midlands. Sales are now improving which should facilitate a return to profit.

At Walker Homes (Colchester), planned economies have taken place and the company is now functioning satisfactorily, carrying out the construction of private homes in the Midlands area and the completion of other contracts in the public sector. However, with the increased activity in the private housing field, the company is now to place emphasis on this type of work.

Meeting, Colchester, Birmingham, October 30 at noon.

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Of the £20.4m, some £3.5m are medium term covered to the extent of £1m by funds deposited with overseas bankers. Of the short term, £5.2m were in the U.S. and the remaining £11.6m are in the UK and will be continued to be reduced where appropriate by sales of properties or by refunding on a longer term basis.

Meeting, 4, Savile Row, W, October 19 at 3 pm.

Despite a famine of building land and its rapidly increasing price Mr. Raymond Walker, chairman of Alfred Walker and Son, says he looks forward to the current year with optimism. He anticipates that the group will make a reasonable profit—following the recovery from £500,000 loss to £27,000 pre-tax profit last time—and forecasts a return to dividends.

Throughout the year to April 30, 1978, economies were made including some staff redundancies at head office and the closure of the joinery manufacturing department.

The demand for new homes shows a steady improvement during the second half with the result that it was possible to raise prices slightly to bring them more in line with current costs and the rapidly escalating price of building land.

Rowlinsons were reduced by £87,000. Bank overdrafts and loans were cut to £276,000 (£283,000) and net liquidity was up £73,000 (£1.1m).

The problems that existed at Barratts Buildings have now been overcome and there is a reasonable prospect of this company making a contribution to the group's profits during 1978-79.

To offset the seasonal nature and the unpredictability of the home market, a determined and successful effort has recently been made to establish new outlets and a considerable quantity of buildings has already been sold in Belgium and France, says Mr. Walker.

Hobbs and Knight continued with its private house building programme on sites in the South West and obtained and executed local authority and other contracts but fell into loss. This was caused mainly by the extremely inclement weather conditions during last winter, and the fact that the demand for homes has risen more slowly in this region than in the Midlands. Sales are now improving which should facilitate a return to profit.

At Walker Homes (Colchester), planned economies have taken place and the company is now functioning satisfactorily, carrying out the construction of private homes in the Midlands area and the completion of other contracts in the public sector. However, with the increased activity in the private housing field, the company is now to place emphasis on this type of work.

Meeting, Colchester, Birmingham, October 30 at noon.

reduction in the group's medium and short-term loans to £20.4m at March 25, 1978.

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Meeting, 4, Savile Row, W, October 19 at 3 pm.

INTL. FINANCIAL AND COMPANY NEWS

Rembrandt seeks R40m from debenture issue

BY RICHARD ROLFE

JOHANNESBURG, Sept. 27.

REMBRANDT GROUP, which is bidding for the outstanding 42 per cent holding in Outemester, its domestic liquor interest, has arranged a R40m unsecured debenture issue. It will be jointly handled by Senbank and Volkskas Merchant Bank, and carries an all-in rate of 11.16 per cent on an average life of 16 years.

At 60 cents cash per share for the 33m Outemester shares it does not own, Rembrandt is committed to an outlay of R20m and may also face outlays for its textiles subsidiary, L. Back. A further cash requirement is likely from the Group's beer division.

Intercontinental Breweries, an unlisted company

whose shares are being bought in at the same time as those of Outemester.

Speaking at the Rembrandt Group's annual meeting in Stellenbosch on September 1, Dr. Anton Rupert told shareholders that Intercontinental, which is currently engaged in a R16m expansion scheme, is aiming for 20 per cent of the domestic beer market. This move involves a direct assault on the long-established position of South African Breweries.

Dr. Rupert told shareholders that these plans will demand great expense and investment in market development and capital projects. Rembrandt was prepared to make the funds available, he said, but this acquisition

Property groups suspend talks

By Anthony Rowley

HONG KONG, Sept. 27.

HUTCHISON Properties, part of the Hutchison International group, and City and Urban Properties, a joint venture between the Hongkong and Whampoa Dock Company and Tai Cheung Properties, have suspended their merger talks.

Based on share prices at the suspension of trading on August 23, when talks were first announced, a combined group would have had a market capitalisation of about HK\$665m.

City and Urban said that Union Estate Company (subsidiary of Tai Cheung) had presented a petition to the Supreme Court here seeking either to wind up City and Urban or to compel Hutchison Whampoa to purchase the 36.4m one-dollar shares in City and Urban held by Union Estate on behalf of Tai Cheung.

City and Urban said that it would oppose the petition and, in the circumstances, the talks being held between the financial advisers to City and Urban and Hutchison Properties had been suspended pending clarification of the position.

Both companies have asked the stock exchanges here to resume trading in their shares. Four directors or alternate directors of City and Urban who are also directors of Tai Cheung—Chan Tak Tai, Lamson Kwok, David Pan Chan and Tong Tai Sun—have resigned from the City and Urban board. Chan has also resigned from the board of Hutchison Properties.

The 43.4 per cent owned finance company, Associated Securities, showed continuing improvement through significant growth in hire purchase and personal loan finance, and managed to record a modest profit.

Dollar shows no clear trend

The U.S. dollar recorded mixed fortunes in yesterday's foreign exchange market with trading largely influenced by the U.S. trade figures for August. Conditions in the morning saw the U.S. currency slightly down against major currencies but it had recovered somewhat by lunchtime.

The dollar was quoted at DM 1.9473 compared with a closing level of DM 1.9365 and Tuesday's close of DM 1.9480, while the Swiss franc eased to Sfr 1.5010 from an opening of Sfr 1.4980 and Tuesday's close of Sfr 1.5000.

FRANKFURT—The dollar was fixed at DM 1.9485 compared with Tuesday's closing of DM 1.9365 previously. Trading ahead of the U.S. trade figures was nervous with some selling after the dollar was quoted at a low ebb at the moment that any good news was likely to

prompt some improvement and since the fundamental issues affecting the dollar remained unchanged, selling soon developed at these higher levels and it finished below its best.

Against the Swiss franc, the dollar closed at Sfr 1.4980 compared with Sfr 1.4980 on Tuesday. At one point during the afternoon it touched Sfr 1.5020 after a day's low of Sfr 1.4920. On the other hand, the West German mark was firmer at DM 1.9485 compared with DM 1.9485 at the start of the day.

U.S. trade figures for August showed a 0.2 per cent increase in total trade, with exports up 0.3 per cent and imports up 0.1 per cent. The dollar's value against the yen rose to ¥188.65 from ¥188.65 previously. Some demand may have been prompted by recent remarks over a projected narrower U.S. trade deficit for 1979 and a new export promotion policy.

Sterling opened at \$1.9685-1.9685 and improved to \$1.9780-1.9780.

EXCHANGE CROSS RATES

Sept. 27	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.00	1.971	3.225	273.0	6.559	2.468	4.125	1691	2.518	60.86
U.S. Dollar	0.507	1.00	1.941	163.3	4.022	1.496	3.115	667.8	1.376	33.60
Deutsche Mark	0.308	0.515	1.00	163.3	2.947	0.771	1.067	422.9	0.626	15.78
Japanese Yen	2.681	0.595	0.595	1.00	25.04	8.902	11.15	444.7	0.614	151.7
French Franc	1.185	0.245	0.430	0.430	1.00	0.499	0.487	158.5	0.289	70.18
Swiss Franc	0.659	0.659	1.298	126.5	2.016	1.00	1.411	560.0	0.785	20.48
Dutch Guilder	0.241	0.241	0.920	88.72	0.207	0.708	1.00	390.0	0.258	14.50
Italian Lira	0.617	1.215	2.859	330.1	5.501	1.518	2.854	1.000	1.480	87.18
Canadian Dollar	0.451	0.451	0.850	160.9	1.708	1.272	1.794	899.4	1.00	26.01
Belgian Franc	1.638	0.266	0.643	616.5	10.25	4.858	6.896	869.9	0.844	100.0

EURO-CURRENCY INTEREST RATES

Sept. 27	Switzerland	U.S. Dollar	Canada Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian \$	Japanese Yen
3-month term	9 1/4-10 1/4	8 1/4-9 1/4	8 1/4-9 1/4	7-8	2 1/4-3 1/4	8-9 1/4	12-13	50-60	10 1/4-11 1/4	8 1/4-9 1/4
6-month term	10 1/4-11 1/4	9 1/4-10 1/4	9 1/4-10 1/4	8-9	3 1/4-4 1/4	9 1/4-10 1/4	13-14	60-70	11 1/4-12 1/4	9 1/4-10 1/4
12-month term	11 1/4-12 1/4	10 1/4-11 1/4	10 1/4-11 1/4	9-10	4 1/4-5 1/4	10 1/4-11 1/4	14-15	70-80	12 1/4-13 1/4	10 1/4-11 1/4
Overnight	13 1/4-14 1/4	12 1/4-13 1/4	12 1/4-13 1/4	10-11	5 1/4-6 1/4	11 1/4-12 1/4	15-16	80-90	13 1/4-14 1/4	11 1/4-12 1/4

The following nominal rates were quoted for London dollar certificates of deposit: one month 8 1/4-9 1/4, three months 9 1/4-10 1/4, six months 10 1/4-11 1/4, one year 11 1/4-12 1/4. Long-term Eurodollar deposits: two years 12 1/4-13 1/4, three years 13 1/4-14 1/4, four years 14 1/4-15 1/4, five years 15 1/4-16 1/4. Short-term rates are call for six-month U.S. dollars and Canadian dollars; two days call for guilders and Swiss francs. Asian rates are offshore rates in Singapore.

INTERNATIONAL MONEY MARKET

Belgian bank rate unchanged

Belgium's central bank left its official discount and lombard rates at 6 per cent yesterday, despite the recent increase in short-term certificate rates and the rise of 1 per cent in Holland's bank rate on Monday. Immediately after the announcement from Brussels the Belgian franc fell to its lowest of 227.13/16 against the Deutsche Mark.

The rise in Belgian Treasury paper earlier in the week, and the move by the Dutch authorities, was widely expected to be followed by an increase in Belgium's official monetary rates by 3 per cent or even 1 per cent. During the last week the Belgian franc and Dutch guilder have been under pressure against the Deutsche Mark within the European currency zone as a result of speculation that both currencies may be devalued against the German unit upon the formation of an enlarged European Monetary System. Brussels call money fell to 4 1/2 per cent from 5 1/2 per cent in the afternoon. Early money market rates had been sharply higher.

NEW YORK—The Federal Reserve gave assistance to the money market yesterday by way of a redeposit of funds, thus taking money out of its Fed account and putting it back into the money market. The action should have put downward pressure on the Federal funds rate, but there was no sign of this in early trading. Federal funds touched 9 1/4 per cent yesterday morning, and were generally traded around 9 1/4 per cent previously, and three-month Treasury bills were quoted at 11 1/4 per cent. The Fed to inject further liquidity before lunch by way of repurchase orders.

ROME—Increased demand for Italian Treasury bills pushed the yield down by 0.2 per cent to 14 per cent at yesterday's monthly auction. The fall was expected following the reduction in the official discount rate to 10 1/2 per cent at the beginning of this month. Italian commercial banks were buyers of bills, increasing their holdings to L.3.313 trillion (million million) from L.3.414 trillion. A total of L.3.25 trillion of bills were placed.

Three-month bills sold for 97.45 per cent of par value, to yield 10.46 per cent, down from 10.89 per cent at the August auction. Six-month bills sold for 96.85 per cent, to yield 11.30 per cent, compared with 11.53 per cent, while 12-month sold for 98.03 per cent, and the yield fell to 12.30 per cent from 12.33 per cent.

UK MONEY MARKET

Full credit supply

Bank of England minimum discount houses. Banks brought forward modest surplus balances, and the market was also helped by a sizeable excess of Government disbursements over revenue payments to the Exchequer, and a slight fall in the note circulation. These factors outweighed a net market

take-up of Treasury bills. Discount houses paid up to 5 1/2 per cent for secured call loans. Late balances were found at 5 per cent in places, although most money was taken at 7 1/2 per cent. In the interbank market overnight funds commanded 9 1/4 per cent at the start, and fell to 6 1/2 per cent at the close.

LONDON MONEY RATES

Sept. 27	Term Certificate of deposit	Interbank	Local Authority deposits	Local Authority bonds	Finance House deposits	Company deposits	Discount market	Treasury Bills	Banking Bills	Prime Rate
Overnight	—	6 1/2	8 1/4-9 1/4	—	—	8 1/4	5 1/2	—	—	12 1/2
1 day	—	—	—	—	—	—	—	—	—	—
1 month	—	—	—	—	—	—	—	—	—	—
3 months	9 1/4-10 1/4	8 1/4-9 1/4	8 1/4-9 1/4	8 1/4-9 1/4	8 1/4-9 1/4	8 1/4-9 1/4	8 1/4-9 1/4	8 1/4-9 1/4	8 1/4-9 1/4	8 1/4-9 1/4
6 months	10 1/4-11 1/4	9 1/4-10 1/4	9 1/4-10 1/4	9 1/4-10 1/4	9 1/4-10 1/4	9 1/4-10 1/4	9 1/4-10 1/4	9 1/4-10 1/4	9 1/4-10 1/4	9 1/4-10 1/4
12 months	11 1/4-12 1/4	10 1/4-11 1/4	10 1/4-11 1/4	10 1/4-11 1/4	10 1/4-11 1/4	10 1/4-11 1/4	10 1/4-11 1/4	10 1/4-11 1/4	10 1/4-11 1/4	10 1/4-11 1/4

Local authority and finance house seven days' notice, others seven days' fixed rate; normally three 12-11 1/2 per cent; four years 11-11 1/2 per cent; five years 12-12 1/2 per cent; six years 13-13 1/2 per cent; seven years 14-14 1/2 per cent; eight years 15-15 1/2 per cent; nine years 16-16 1/2 per cent; ten years 17-17 1/2 per cent. Bank of England discount rate 10 per cent. Bank of England call rate 10 per cent. Bank of England overdraft rate 10 per cent. Bank of England loan rate 10 per cent. Bank of England advance rate 10 per cent. Bank of England mortgage rate 10 per cent. Bank of England lease rate 10 per cent. Bank of England purchase rate 10 per cent. Bank of England sale rate 10 per cent. Bank of England transfer rate 10 per cent. Bank of England other rate 10 per cent.

Small rise in Ansett profits

BY JAMES FORTH

SYDNEY, Sept. 27.

ANSETT Transport Industries, the airline, transport, travel, television and manufacturing group, lifted group profit by 6.8 per cent from A\$17.3m to A\$18.4m (US\$21m) in 1977/78. The directors were cautious about the prospects for the current year. They expect that the rise in air prices arising from the Government's recent decision to increase domestic oil prices will have an adverse impact on air travel, which is one of the major areas of operations.

The dividend is held at 10 cents a share and is covered by earnings of 23.7 cents, compared with 24 cents in 1976-77. The group result does not include any earnings from the recently acquired Avis car rental group. The acquisition was disputed by the Trade Practices Commission and Ansett did not succeed with the takeover until after the end of the financial year on June 30. The profit was earned on a 15.6 per cent increase in group

sales, from A\$440m to A\$510m (US\$590m). Extraordinary profits totalled A\$852,000. This was mainly attributable to foreign exchange gains of A\$312,000. In the previous year, Ansett incurred foreign exchange losses of A\$55m.

The directors said that there had been a continuing degree of uncertainty and hesitancy in a number of areas of operation during the past year. This had resulted in the achievement of little or none of the growth anticipated in these areas. One exception was air passenger traffic.

Close attention was paid during the year to the control of aircraft capacity and other operating costs in an effort to keep airline fare rises to a minimum, the directors added.

However, the group still had to increase prices by 6 per cent in July, and a further rise was now expected.

The directors said that freight express activity reflected the downturn experienced by manufacturing industries. Trading conditions were difficult in this highly competitive industry, with continuing increases in operating costs. Price cutting in road freight rates was prevalent, they added.

The television stations in Melbourne and Brisbane reflected the slowing down of the rate of revenues growth in the television industry generally.

The group's insurance offshoot extended its worldwide insurance portfolio and contributed substantial profits, both from underwriting and from its investments.

The 43.4 per cent owned finance company, Associated Securities, showed continuing improvement through significant growth in hire purchase and personal loan finance, and managed to record a modest profit.

Hanimex setback but payout up

BY OUR OWN CORRESPONDENT

SYDNEY, Sept. 27.

HANIMEX Corporation, the international photographic and leisure group, suffered a 38.8 per cent slump in earnings, from A\$4.68m to A\$3.0m (US\$3.4m) in the year to June 30, but has raised its dividend from 8.5 cents to 7 cents a share. The directors said a number of factors, including losses from consumer electronics activities in the U.S. and Australia, for the setback.

Group sales rose 4.4 per cent, from A\$110m to A\$115m (US\$133m). The directors said that the 1977 year included substantial sales and profit contributions on the part of export

sales from Japan, Hong Kong and Taiwan to major U.S. and European customers, but that they were not repeated in the 1978 year.

All subsidiaries suffered from disturbed market conditions, arising from rapid movements in currency values, particularly the upward movement of the yen. There was a temporary impact on margins, although a satisfactory level had since been restored. The manufacturing plant at Michigan in the U.S. was reorganised which created costs that could not be recovered during the year but allowed a basis for a sound future programme.

Employees block Sumitomo, Kansai link

By Yoko Shibata

TOKYO, Sept. 27.

SUMITOMO BANK, the third largest of the Japanese city banks and Kansai Sogo Bank, the medium-sized mutual savings bank, have decided to shelve their merger negotiations indefinitely because of increasing opposition from Kansai Sogo Bank employees.

Kansai Sogo Bank employees, because it feared a deterioration in labour relations. The fears were heightened by the approach of the bank's active-year-end season, according to analysts.

The merger talks were initiated by the president of Kansai Sogo Bank, Mr. Ryusuke Kawada, who approached Mr. Ichiro Issa, president of the Sumitomo Bank in January. The merger plan, on an equal basis, was officially announced by the presidents of both banks on July 12.

However, the Bank Union and the Union Committee of branch managers of Kansai Sogo Bank have fought against the merger, claiming that the bank's position did not require it.

At the same time, a group of clients of Kansai Sogo Bank have formed an anti-merger committee.

Securities firms urge postponement of issue

TOKYO, Sept. 27.

LEADING Japanese securities companies want the government to postpone the planned October 1978 issue of five-year discount national bonds, saying that it will be impossible to sell them at the pre-set yield of 5.71 per cent, according to securities sources.

They said the companies, to which the bonds are to be allocated for sale to the public, will probably ask the Finance Ministry formally for a postponement of a meeting on September 28.

Finance Ministry officials said that the Ministry has not decided

the total volume of October national bond issues, or whether to postpone the planned October 1978 issue of five-year discount national bonds, saying that it will be impossible to sell them at the pre-set yield of 5.71 per cent, according to securities sources.

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Finance Ministry officials said that the Ministry has not decided

Hong Kong utilities show gains

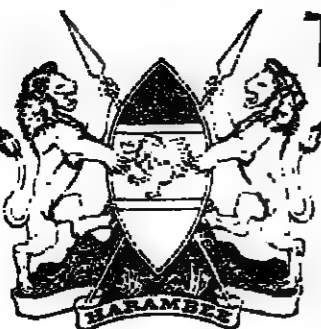
BY OUR OWN CORRESPONDENT HONG KONG, Sept. 27.

TWO PUBLICLY quoted Hong Kong power utilities have announced improved profits performance in the first six months of this year, to June 30.

Hong Kong Electric Holdings, one of the two major electricity companies here, announced a 26 per cent rise in pre-tax profits to HK\$ 106m (US\$22.3m) and a 40

per cent increase in the interim dividend to 9 cents a share.

Hong Kong and China Gas Company, the monopoly supplier of town gas in the colony, increased pre-tax profits by 6 per cent to HK\$ 14.9m (US\$ 3.1m) at the interim stage, and is paying a second interim dividend of 19 cents a share, as forecast.



THE REPUBLIC OF KENYA

U.S. \$16,621,000

Project-Related Term Loan

For Kenya Fibre Corporation Limited

BANK OF AMERICA, NEW YORK \$10,560,500

EXPORT-IMPORT BANK OF THE UNITED STATES \$6,060,500

WORLD STOCK MARKETS

Sharp late sell off on prime rate rise

INVESTMENT DOLLAR

PREMIUM

3.60 to 3.85 (80%)

active 3.70 to 3.85 (44%)

HARP LATE sell-off drove

prices broadly lower in

trading on Wall Street

following a rise in the

rate which spread through

banking industry.

er opening another 4.15 up

2.31 on the improved August

figures, the Dow Jones

Industrial Average dropped

1.14 for a net loss of 7.07.

The AH Common Index

lost 30 cents, while declines

came from 983 to 980. Trading

was further expanded 2.04m

to 28.37m.

Analysts said the stage for the

sell-off was set earlier when the

market proved unable to sustain

its technical rally, even

with the help of a narrowed

trade deficit.

Analysts raised their prime rates

percent from 9.75 to 10.25

on the August trade deficit

of \$1.62bn from \$2.9bn.

The Commerce Secretary

said the fall was due to seasonal

adjustments in special factors

and another bullish development

in the natural gas price

guarantee bill, a key part of

the Carter Energy Pro-

gram.

Concern about the rail strike

continuing inflationary pres-

sure to the stock market's

analysts said.

number of "glamour" and

Blue Chip issues were hard hit

the sell-off. Eastman Kodak fell

\$2.12 to \$59.75 and Polaroid \$2

to \$47.75, both in active trading. Also

active, Bears Roebuck slipped \$1

to \$22.12 and Exxon \$1 to \$51.12.

IBM dropped \$5 to \$275. Tele-

phone \$1 to \$98.5, Smith Barney \$1

to \$88.5, Honeywell \$1 to \$84.5.

Merrill Lynch \$1 to \$31. Philip

Morris \$1 to \$71.5, Tandy \$2

to \$27.5 and Xerox \$1 to \$29.5.

Ramada Inns led the actives,

sliding \$1 to \$13.12 as it agreed in

principle to buy an Atlantic City

hotel for a casino.

In second place, Carter, the

target of United Technologies

takeover plans, fell \$1 to \$28.12

as United Technologies

shed \$1 to \$43.

American Telephone rose \$1

to \$61.12 — it said "1973 could be its

best year ever."

Twentieth Century-Fox lost \$1

to \$43.12 — third-quarter profits

could trail those of a year ago

which soared on the strength of

its film "Star Wars."

Gulf and Western Industries

eased \$1 to \$14.12 — its board backed

a tender for all the shares of

the company to be made at \$18

each. Simmons did not

trade.

General Dynamics gave \$3

to \$81.12 — it is tendering for \$34.17

shares of American Telecommu-

nications at \$28.50 each.

American Telecom took on \$1

at \$22.12 bid in "over-the-counter"

trading.

Washington Steel jumped \$2

to \$23.12, but the company said

it did not know of any recent

development to account for

activity in its stock.

Sunshine Mining slipped \$1

to \$12.12 — Hunt International

Resources, off \$1 to \$14.12, announced

that preliminary proposals are

being discussed with Sunshine

management about a possible

combination.

THE AMERICAN SE Market Value

index was off 0.82 at 167.45, while

the volume rose to 3.77m (3,047m)

shares. Trading 152,600 shares,

Instrument Systems, the most

active issue, closed unchanged at

\$11.12. Also active were Great Basin

Petroleum up \$1 to \$7.12, Syntex

down \$1 to \$34.12, Denatex, eased

will be acquired by Syntex, eased

\$1 to \$19.12.

Active McCulloch Oil gained \$1

to \$32.12 — it said a California

well which it has 25 per cent

state tested 30 cubic feet of gas

daily. Houston Oil fell \$1 to \$23.12.

Canada

Share prices closed higher in

active trading, with the Toronto

Composite Index up 1.5 to 1,272.0,

although markets moved off

morning highs as the Oil and Gas Index

trimmed most of its early 104 point

gain.

The Paper and Forest Ind-

ustry more than 28 points on

Price Co. climbed \$14 to \$20 and

Abitibi added \$1 to \$13.12, before

trading in the companies' shares

was halted. Abitibi said it is hold-

ing negotiations which are

expected to continue until Friday.

It did not elaborate.

Chum gained \$1 to \$11.12, Crown

Zellerbach "A" \$1 to \$23.12, Indus-

try \$1 to \$15 and Consolidated

Bathurst "A" \$1 to \$35.

Hayes-Dana shed \$1 to \$39.12,

despite higher year earnings and

a bullish first quarter forecast.

The Domestic Bond Market was

also mixed, with losses of up to

20 pennings outweighing gains of up

to 10 pennings registered in Public

Authority issues. The Regulating

Authorities sold a nominal

\$3.5m worth of stock.

Mark Foreign Loans were

firmer.

Paris

The market continued firm and

active aided by the steady franc,

the higher overnight trend on

Wall Street and expectations that

the August Retail Price Index, due

this week, will be lower.

The rise was led by Carrefour,

Perrier, Babcock, Prenatal and

Europe 1. The last three of these

posted gains for a large number of

Corporates.

Marussia Electric Industrial

gained \$10 to \$74.5, Sony Y30

to \$1,340, TDK Electronic Y70

to \$2,450, Kasa Motors Y19 to \$385,

Asahi Y26 to \$536 and

Hoya Glass Y30 to \$870.

Nippon Mining advanced \$10

to \$137 but trading was temporarily

suspended shortly before the

close following reports 15 dis-

covered new oil and gas reserves

in Northern Japan.

Germany

Movements were mixed, with

Motor, Engineering, Banks and

Stores generally recording gains

and losses. A major exception, shedding

DM1.90 to 240.7.

Chemicals and Engineering

were little changed, apart from

BBC which gained DM7.

Tokyo

Market average rose 44.25 to a

post-war record high of 3,738.27

in heavy trading—430m (230m)

shares—with increased buying

interest over a wide front, includ-

ing Electricals, Cables, Pharma-

ceuticals and Vehicles.

The upsurge helped by in-

creased institutional buying and

also from Investment Trusts more

than offset an anticipated decline

due to ex dividend and ex right

positions for a large number of

Corporates.

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covered new oil and gas reserves

in Northern Japan.

Switzerland

Prices advanced in active trad-

ing, bolstered by the recovery of

the dollar. Buying at the

lower levels was particularly

active in shares which suffered

sharp losses Tuesday's trading

followed the strong rise of the

Swiss franc.

In Transportations, Swissair

Bearer pared an initial gain.

Domestic and Foreign Bonds

edged higher in moderately active

trading.

Dollar stocks closed generally

below New York levels in

moderate trading. French and

Dutch shares were very steady

apart from Royal Dutch which

rose on active demand, Germans

recovered strongly.

Australia

Markets closed firm with

Uranium and Diamonds particu-

larly active.

Flow tests results from the

Strzelecki No. 3 well pushed

Santos, which holds a 35 per cent

interest, up 15 cents to \$2.15 and

Cruzeiro, with 10 per cent

interest, up 15 cents to 88 cents.

Peko added 12 cents to \$20.82

Industries rose 10 cents to 3.10,

despite its profit slump. Pan-

continental advanced 50 cents to

13.70.

Selected Diamonds moved

ahead on the strength of the

encouraging news contained in

the Ashton Mining prospectus.

NOTES: Overseas prices shown below

are after withholding tax.

Prices are in local currency unless

otherwise stated. All prices are

quoted on a "clean" basis, i.e. without

broker's commission and bank charges.

Prices are subject to change without

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FARMING AND RAW MATERIALS

Irish fleet stays away

BY STEWART DALBY AND CHRISTOPHER PARKES

SH FISHMEN who had been ordered to leave the British waters of the Irish Sea in the area of a unilateral ban on fishing in the area were being well away yesterday, the Ministry of Agriculture said last night.

The Irish fleet was warned that it was found fishing illegally in British waters could face a fine of up to £50,000 and the seizure of its tackle and catches, he warned.

Mr. Lenihan, the Irish Minister, continued to urge Irish skippers to continue to observe the rule. He told them to ignore this rule. If they do not, the Government will have to take action with the EEC Commission.

It is understood that Mr. Lenihan has given assurances of port to fishing organisations, but he has yet to spell out what support will be forthcoming if British naval vessels do not interfere with Irish fishing.

The Irish Fishermen's Association is anxious to find out whether Mr. Lenihan means financial assistance.

The Ministry of Agriculture in London warned yesterday that the Irish fleet was fishing in the Irish Sea, which is closed to all boats, and the Government has ensured that adequate enforcement arrangements have been made.

Two fishery protection vessels will patrol the zone as part of routine and the area is subject to regular scrutiny from the air.

Meanwhile, officials in Whitehall made it plain that Mr. John Silkin, the Minister responsible for fisheries negotiations, had the full support of the Cabinet, notably that of Dr. David Owen, the Foreign Secretary.

Herring fishing is also banned inside British limits in the North Sea, the Celtic Sea, the Bristol Channel, the English Channel and the West of Scotland, excluding Clyde.

Officials in Dublin argued yesterday that if Ireland applied Mr. Silkin's own arguments, to its fisheries it would be perfectly within its rights to apprehend the Irish trawlers found on herring fishing there. A statement is expected from the fishermen shortly.

In Brussels yesterday Spain and the Common Market signed a temporary fishing agreement and initiated a five-year accord, pending British approval.

The three-month agreement, expiring at the end of the year, allows 240 Spanish trawlers to catch a total of 9,000 tonnes of fish in Community waters, mainly off France and Ireland, AP-Dow Jones reported.

This doubles the present volume of catches allowed to Spain.

Britain's partners wanted to grant Spain a generous five-year fishing agreement, as a gesture before it joined the Community. But Britain reserved its final approval pending settlement of internal fisheries policy.

Apple crop in Europe up 20%

Our Commodities Staff

DESSERT apple crop in Europe this season is about 20 per cent higher than in 1977, Organisation for Economic Co-operation and Development (OECD) says. Pear output will be about the same as last year.

In 1977-78 were generally below average, and the OECD comments that a fairer picture might be made with 1977. In that case, the crop year is about 4 per cent higher.

Utility is generally good, though there appears to be a proportion than usual of fruit.

OECD experts appear to be optimistic about the prospects for this year's crop, but a "trend towards a slight-off in consumption," he said, might increase in future have appeared in market conditions.

France, for example, expects 11 per cent rise to 1.75m tons — about two-thirds of which will be Golden Delicious.

Italy has forecast a 1.15 per cent increase and West Germany a 1 per cent more than last year.

The UK production is estimated at 427,000 tonnes, which is 3 per cent up on 1977. The 1978-79 crop of Cox's Orange Pippins jumped 114 per cent to 400 tonnes and a 32 per cent rise in cooking apples output has taken production to 600 tonnes.

EEC rethink on legal move

BY MARGARET VAN HATTEN

BRITAIN APPEARS to have outmanoeuvred the EEC Commission once again in the common fisheries policy.

Following Britain's decision yesterday afternoon to close the Moura fishing area off the east coast of Northern Ireland to even British skiffs, for whom there was previously an exemption, the Commission is having to reassess plans to take Britain to the European Court of Justice.

The Commission has been preparing its case against the UK and after its weekly meeting yesterday was all set to send the British Government a sharply worded message regarding some of its national conservation measures.

Had the response not been satisfactory, procedures for a fishing ban in Moura would have been expected to start within a fortnight.

Since the breakdown earlier this year of negotiations for a common fisheries policy, Britain has introduced a series of national conservation measures, each straining the bonds of legality a little further.

Under Community rules, national measures are legal in the absence of a Community measure, providing they are not discriminatory, and providing the approval of the Commission is sought beforehand, though not necessarily given.

Although the Commission considers the UK's measures to be excessive, it has not been sufficiently critical to test them in court.

But it considered the latest British measure, the banning from September 19 of herring fishing in Moura, which covers 35 feet long, to be clearly illegal.

It felt that in allowing British boats a quota of herring denied to other nationalities, Britain had acted where only the Council of Ministers had authority.

Thus it was preparing for a court case during which, it was felt, certain other British measures would not sufficiently clear breaches to warrant a court case on their own — could be tested on the side.

In announcing complete closure of the area yesterday, the UK Government said British boats had now fished their quotas, having caught 400 tonnes since September 15. This compares with a weekly average of 50 tonnes last season.

This means that the Commission's case may still stand; but the heat has gone out of the issue and the French producer, Penarroya, and is in line with the rises announced earlier this week by Breussa and Boliden.

Lead prices at year's peak

BY JOHN EDWARDS, COMMODITIES EDITOR

THERE WAS a general rise in base metal prices on the London Metal Exchange yesterday, with lead advancing to new highs for the year.

Cash lead gained \$4.75 to \$309.25 a tonne, making a rise of over \$30 in the past month.

Lead buyers' interest, stimulated by forecasts of a further outflow of lead stocks from the LME warehouses in the next few weeks, boosted prices.

Copper values were higher, reflecting a rise in the New York market as a result of a sharp fall in the U.S. trade deficit in August. Cash wirebars gained \$3.75 to \$74.1 a tonne.

Noranda, the big Canadian metals producer, announced a rise in its selling price for copper cathodes in the U.S. from 67 cents to 68 cents a lb and by 4 cents to 80 cents in Canada.

More importantly, Noranda also announced that it was raising its base price for zinc metal sold outside North America, from \$625 to \$675 a tonne.

A similar zinc price increase was announced by the French producer, Penarroya, and is in line with the rises announced earlier this week by Breussa and Boliden.

Selling wave hits cocoa

By Richard Mooney

A SUDDEN wave of speculative selling on the London cocoa futures market yesterday pushed prices sharply lower.

By the close the December position was quoted at \$1,555 a tonne, \$22.5 lower on the day.

Dealers said there was no fresh fundamental news to explain the decline which they said was mainly reflected in "disappointed long liquidation."

Cocoa values have been maintained at a relatively high level since early this month with the December quotation rarely falling much below \$2,000.

But repeated attempts to push the price to new high ground have all failed and the speculative element in the market seems now to have accepted that prices are more likely to fall than to rise in the short-term.

One of the main factors holding prices up recently has been the steady stream of gloomy projections for world cocoa, particularly in West Africa, the main growing region.

But a number of traders have observed that the threatened shortage is unlikely to work through to the market before May and for the time being there appears to be plenty of cocoa about.

Confectionery manufacturers seem generally to have been in agreement with this view and have for the most part stood on the sidelines waiting for prices to fall to "more attractive" levels.

EEC sugar tender

EXPORT REBATES were paid on 39,350 tonnes of EEC white sugar and 10,000 tonnes of raws at yesterday's weekly export tender in Brussels.

Last week 43,700 tonnes of whites but no raws were authorised for export.

On the London terminal market yesterday sugar futures prices opened around 22 a tonne, which had begun to rise on Tuesday, continued.

But values rallied after lunch and were given a further boost by a comparatively steady opening tone in the New York market.

By the close London futures prices were 50p to £1.10 down on the day.

In the morning the London daily raws price was fixed at £107 a tonne, the same as on Tuesday.

TROPICAL AGRICULTURE Mauritian cow keepers give way to progress

BY A SPECIAL CORRESPONDENT

PORT LOUIS, Sept. 27

LIKE MANY tropical nations Mauritius depends for its milk supplies on the ubiquitous powdered product—mostly from New Zealand—the inevitable can, kept on the two Government farms, the sugar estates which sell milk direct to their workers, and by the cow keepers, whose numbers have dropped from 32,000 in 1955 to about 19,000.

The aim of the UNDP project, the Government is to produce 3,000 litres a day of fresh milk from two units of 350 cows each by 1980 and establish a blueprint for intensive production in the future.

The sugar estates are anxious to diversify, and are quickly following the project's progress, finding that cattle fed their by-products of sugar cane tops and molasses, plus added urea can produce milk and beef economically.

Already plans are being made for two or three neighbouring sugar estates to co-operate in the production of 2,000 litres of milk a day, to be sold through local stores and supermarkets.

The UN Food and Agriculture Organisation optimistically estimates that there could be 10 units each of 1,000 cows producing 18,000 litres a day by 1987.

With the producer receiving Rs 1.25 to 1.50 a litre the hope is to make Mauritian-produced milk available for retailing at Rs 2.00 to 2.50 a litre. Powdered milk sells at Rs 14 a kilo.

In 1978 milk imports in terms of litres were valued at about 230,000 litres a day, in 1975 nearly 7,000 tonnes of carcass beef were imported to supplement home production of just over 1,000 tonnes.

The Government's blueprint, fedlots are situated in coastal regions of the country away from the high plateau where a biting fly prevents serious livestock production, although another section of the project is now claiming successful control of the fly.

Land is valuable and scarce in Mauritius so the cattle in feedlots are housed on concrete, slatted floors and consume either sugar cane tops from the harvest or whole chopped cane grown in upland marginal areas where it will not mature sufficiently for sugar crushing.

The ration is supplemented with the by-product molasses, boosted with urea added at a rate of 2.5 to 3 per cent, and locally-made cow feed, which is also under way to examine a complete diet made up entirely of by-products including manure from the poultry industry, sugar-cane waste — bagasse — and molasses.

The UNDP-FAO project comes to an end in three years. The Government will have two modern feedlots producing milk and beef, managed and staffed entirely by Mauritians. It will have a fully-equipped ruminant research laboratory, while a recently examining new feeds such as the local acacia or leucaena and sweet potato.

Meanwhile, the private sector stimulated by the Government's new-found will to develop a Mauritian milk and beef industry, is looking to the future. From feedlot and pasture the private investors aim to produce 50 per cent of the country's beef and 20 per cent of its milk in six years.

U.S. may offer more grain to USSR

WASHINGTON, Sept. 27

year due to the low prices, expanding livestock production and to build stocks in anticipation of possible problems with next year's crop.

The officials said more interest has surfaced from other agencies — including the National Security Council, the State Department and treasury departments — in the grain talks.

China's Szechwan province — one of the country's most fertile and its most populous — had a record harvest of wheat and other summer crops and officials there are optimistic about the autumn grain harvest now being completed, the New China News agency said today.

Reuter

The USSR must buy a minimum of 100,000 tons and up to 1.5m tonnes of grain. Any purchases beyond that require consultations between the two nations.

The USDA officials said most views within the department were to offer the Soviets 15m tonnes, as granted in the first two-year deal in 1975-76.

The USDA criticised last year for offering the USSR 15m tonnes without getting any major crop information or concessions in return.

The officials said the USDA would be unlikely to seek any concessions in exchange for raising the limit on the USSR's grain purchases. The agency said it could be a heavy buyer of U.S. maize in the third agreement.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

LEAD: 3 months 274.5, 6 months 274.5, 12 months 274.5

COPPER: 3 months 74.1, 6 months 74.1, 12 months 74.1

ZINC: 3 months 67.5, 6 months 67.5, 12 months 67.5

ALUMINUM: 3 months 1,100, 6 months 1,100, 12 months 1,100

IRON: 3 months 1,100, 6 months 1,100, 12 months 1,100

STEEL: 3 months 1,100, 6 months 1,100, 12 months 1,100

COAL: 3 months 1,100, 6 months 1,100, 12 months 1,100

WHEAT: 3 months 1,100, 6 months 1,100, 12 months 1,100

BARLEY: 3 months 1,100, 6 months 1,100, 12 months 1,100

RYE: 3 months 1,100, 6 months 1,100, 12 months 1,100

MAIZE: 3 months 1,100, 6 months 1,100, 12 months 1,100

SUGAR: 3 months 1,100, 6 months 1,100, 12 months 1,100

COFFEE: 3 months 1,100, 6 months 1,100, 12 months 1,100

TEA: 3 months 1,100, 6 months 1,100, 12 months 1,100

CLOVE: 3 months 1,100, 6 months 1,100, 12 months 1,100

PEPPER: 3 months 1,100, 6 months 1,100, 12 months 1,100

SPICES: 3 months 1,100, 6 months 1,100, 12 months 1,100

FRUIT: 3 months 1,100, 6 months 1,100, 12 months 1,100

VEGETABLES: 3 months 1,100, 6 months 1,100, 12 months 1,100

MEAT: 3 months 1,100, 6 months 1,100, 12 months 1,100

FISH: 3 months 1,100, 6 months 1,100, 12 months 1,100

SEAFOOD: 3 months 1,100, 6 months 1,100, 12 months 1,100

EGGS: 3 months 1,100, 6 months 1,100, 12 months 1,100

Dairy: 3 months 1,100, 6 months 1,100, 12 months 1,100

Wool: 3 months 1,100, 6 months 1,100, 12 months 1,100

Textiles: 3 months 1,100, 6 months 1,100, 12 months 1,100

Leather: 3 months 1,100, 6 months 1,100, 12 months 1,100

Other: 3 months 1,100, 6 months 1,100, 12 months 1,100

COFFEE

ROBUSTA: 3 months 1,100, 6 months 1,100, 12 months 1,100

ARABICA: 3 months 1,100, 6 months 1,100, 12 months 1,100

Other: 3 months 1,100, 6 months 1,100, 12 months 1,100

RUBBER

SMOOTH: 3 months 1,100, 6 months 1,100, 12 months 1,100

CRACKED: 3 months 1,100, 6 months 1,100, 12 months 1,100

Other: 3 months 1,100, 6 months 1,100, 12 months 1,100

MEAT/VEGETABLES

MEAT: 3 months 1,100, 6 months 1,100, 12 months 1,100

VEGETABLES: 3 months 1,100, 6 months 1,100, 12 months 1,100

Other: 3 months 1,100, 6 months 1,100, 12 months 1,100

PHYSICALS TRADER £ NEG

to establish and co-ordinate a new Essential Oils and Chemicals department for an expanding City-based Trading Co. Age 28-37

NUT TRADER £10,000-NEG

For reputable international Trading Company to expand and co-ordinate its Nut trading activities. Age 35-40

ADMINISTRATOR to £7,000

able to control and handle all shipping documentation and contracts for a small but international trading concern. Age 35-40

ALUMINIUM TRADER £10,000 +

Major international Trading Company with broad activities in all Non-Ferrous Metals requires a Trader with experience in the field of Aluminium Ingots particularly from Europe. Age 28-37

Please contact RAYMOND WALLHEAD to arrange a confidential discussion.

COTTON

UPPER: 3 months 1,100, 6 months 1,100, 12 months 1,100

LOWER: 3 months 1,100, 6 months 1,100, 12 months 1,100

Other: 3 months 1,100, 6 months 1,100, 12 months 1,100

SOYABEAN MEAL

SOYABEAN MEAL: 3 months 1,100, 6 months 1,100, 12 months 1,100

Other: 3 months 1,100, 6 months 1,100, 12 months 1,100

PRICE CHANGES

PRICE CHANGES: 3 months 1,100, 6 months 1,100, 12 months 1,100

Other: 3 months 1,100, 6 months 1,100, 12 months 1,100

PHYSICALS TRADER £ NEG

to establish and co-ordinate a new Essential Oils and Chemicals department for an expanding City-based Trading Co. Age 28-37

NUT TRADER £10,000-NEG

For reputable international Trading Company to expand and co-ordinate its Nut trading activities. Age 35-40

ADMINISTRATOR to £7,000

able to control and handle all shipping documentation and contracts for a small but international trading concern. Age 35-40

ALUMINIUM TRADER £10,000 +

Major international Trading Company with broad activities in all Non-Ferrous Metals requires a Trader with experience in the field of Aluminium Ingots particularly from Europe. Age 28-37

Please contact RAYMOND WALLHEAD to arrange a confidential discussion.

GRAINS

WHEAT: 3 months 1,100, 6 months 1,100, 12 months 1,100

BARLEY: 3 months 1,100, 6 months 1,100, 12 months 1,100

RYE: 3 months 1,100, 6 months 1,100, 12 months 1,100

MAIZE: 3 months 1,100, 6 months 1,100, 12 months 1,100

Other: 3 months 1,100, 6 months 1,100, 12 months 1,100

SUGAR

SUGAR: 3 months 1,100, 6 months 1,100, 12 months 1,100

Other: 3 months 1,100, 6 months 1,100, 12 months 1,100

INDICES

INDICES: 3 months 1,100, 6 months 1,100, 12 months 1,100

Other: 3 months 1,100, 6 months 1,100, 12 months 1,100

COMPANY NOTICES

INION DE BANQUES ARABES ET FRANCAISES

U.A.F.

00525-000,000-1977-1982

Shareholders of above loan are hereby informed that the rate of interest on the loan is 10% per annum, payable quarterly in arrears on the 15th day of each month commencing from the 15th day of October 1978.

Company Secretary.

1978

Wool Futures

Wool Futures: 3 months 1,100, 6 months 1,100, 12 months 1,100

Other: 3 months 1,100, 6 months 1,100, 12 months 1,100

DUTCH COFFEE ROASTINGS UP

THE HAGUE, Sept. 27

Dutch coffee bean roastings rose sharply to 6,954 tonnes in the four weeks to August 11, from 3,858 in the comparable 1977 period, but previous period, the central statistics office said.

Roastings in the year to August 11 totalled 60,121 tonnes compared with 54,520 in the same 1977 period.

Last year the office said the low level of roastings was due to the high level of stocks with retailers and consumers.

Reuter

FINANCIAL TIMES

FINANCIAL TIMES: 3 months 1,100, 6 months 1,100, 12 months 1,100

Other: 3 months 1,100, 6 months 1,100, 12 months 1,100

THE JOBS COLUMN

Eastern promise, for ace professionals only

BY MICHAEL DIXON

PETER BARRETT was flabbergasted when interviewing in London lately to fill the financial controller's job in one of his group's 200 subsidiaries. Looking through the window, he saw the expected candidate draw up in a chauffeur-driven Rolls Royce.

Asked to expand on the sparse, though impressive details given in his job application, the opulent interviewee revealed that he was the financial director of one of the major companies in Britain. He was securely in this job, where his salary was about twice the sum Mr. Barrett was offering.

But the candidate was keen, even anxious, to be given the subsidiary financial controller's post.

The reason was that it was based in Hong Kong where Peter Barrett is personnel—or, as his official title has it—corporate relations director of the Hutchison Whampoa conglomerate.

He told me the story as we basked on the quarterdeck of Hutchison's motor launch, which was hurrying westward round the island in the searing sun of last Saturday afternoon.

That chap had the sort of track record that you aren't privileged to see very often," Mr. Barrett added. "He really was a top-flight international

manager. That's why I couldn't give him the job. It would have bored him stiff.

"But all the same, he was right to want it. At Hong Kong tax rates, working for only half his UK pay over the dozen years left before retirement, he could set himself up with far more capital than ever in the UK."

Whereupon Peter Barrett produced one of his rare grins. He has been enjoying the same opportunity to build capital for nearly two years.

If he is like most Hong Kong executives, he receives an automatic bonus so that his nominal monthly salary comes rolling in, not 12, but 13 or 14 times a year. In addition, he will have an extra bonus tied to company results which, in good times such as the present, may well double his pay.

On all of that, he will pay tax at the maximum rate of 15 per cent.

But also, if he is like most of the expatriate managers who have gone from other countries to work in the colony, he will receive a bulky housing allowance.

In the official view of the Government of Hong Kong (where land and building costs are raising the roof all the time so that the purchase price of a flat with decent room for three can now easily be £100,000)

the benefits of an expatriate executive's housing allowance

amount to 10 per cent of his total pay and bonuses.

The Government taxes the notional benefit also at the 15 per cent rate, effectively raising the tax on the total earnings to 16.5 per cent.

But by reckoning the worth of the housing allowance at only 10 per cent of total earnings, the Government is being unusually generous to expatriates who, unlike the indigenous executives of Hong Kong, tend to be paid weighty sums towards their accommodation costs.

Significant

"The housing allowance usually seems to become more significant as you go up the pay scale," I was told by Keith Exall, the locally based managing director of the personnel and recruitment consultancy of Harris Graham and Partners.

"Take for example a fairly junior expatriate manager with a salary of just over £500 a month. He'll probably be given half as much again, or rather more, for housing."

"If the same chap is getting £1,000 monthly salary, he's likely to have at least £750 a month allowance. And when the monthly salary rises to £1,500, then the housing money could well be as much again as, or even higher than, the salary payment."

Other benefits for managers seem to vary with the employer. "As a general rule," said Harris

Graham's David Slee, "you'll be more assured of extras such as medical insurance, education allowances, fare-paid leave, and retirement benefits with an expatriate concern."

"The Chinese tend to treat such things as discretionary. If your face fits, you'll do all right. If not, you'll be exposed to considerable financial risk should you or one of your family fall ill and so on."

Another benefit becoming more and more common as accommodation costs race upwards, is help in buying a home. There are no building societies as such in the colony, and banks will rarely lend more than three-quarters of the purchase price. Moreover, the loan will have to be repaid with interest at commercial rates (currently of 10 to 11 per cent) within certainly not more than 15 and sometimes as few as seven years.

So employers are now starting to offer schemes of aid, ranging from the loan of the necessary deposit and a contribution towards the interest, down to merely helping the employee to find someone willing to lend him the money.

Company cars are far rarer than they are in Britain and other countries of mountainous marginal taxation, tending to be limited to the very topmost managers.

But the colony's privately owned cars—among which

Mercedes seem to be most popular, and about one in every 50 a Rolls—are increasing by around 2,000 registrations a month in line with a current economic growth rate of perhaps 15 per cent.

Volatile

"Sure, professional managers and specialists coming to work here can do well for themselves," said the Harris Graham consultants. "But even in the short run, the economy here is extremely volatile. If a company suddenly stops making profits, its managers are liable to at least to lose the bonus that could be half their income. And in the long run, while the money Communist China is investing here now is making electronics kinds: senior systems analysis and computer programmers; financial controllers; and adepts in aspects you can't be sure that they won't change their mind and job appraisal, and remuneration."

Readers interested might care to chance a written inquiry to Harris Graham (1304 World Trade Centre, Hong Kong). But they should be warned that they are unlikely to receive even a reply unless they are consummately skilled professionals, both by training and experience. As Peter Barrett's chauffeur-driven candidate showed, the competition among expatriate candidates here, Britons aren't supposed to stay more than six months, ably the world's hottest.

"Another thing is that the hours and pace of work for executives here are usually a lot greater than in Europe. People still mostly work at least every other Saturday morning, for example."

"But unlike the other Asian countries, Hong Kong can still be the land of opportunity, especially for British people."

"While, when they come here, Britons aren't supposed to stay more than six months, ably the world's hottest."

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An attractive salary will be offered to the right person together with a first class range of benefits. Excellent prospects exist for progress, which would solely depend upon the candidate's ability.

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Gerry Risdon, Administration Partner,

Buckmaster & Moore

The Stock Exchange, London EC2P 2PT.

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Additional responsibilities are being placed upon the Department and the job holder will be encouraged to assume the day to day management of certain aspects of its operations such as cash forecasting, whilst engaging in project work which can, to some degree, be related to previous experience or career development needs.

A professional qualification is preferred, but unqualified applicants with in-depth experience of financial administration, and the necessary personal qualities to get things done in a busy department, would not be excluded.

The benefits package is fully competitive and includes non-contributory pension and disability schemes, free BUPA membership and 25 days' annual holiday.

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The Stock Exchange

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Financial Director
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Elizabeth House, 23 Baddow Road
Chelmsford, Essex CM2 0EH

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Financial Techniques Limited,
Hillgate House,
Old Bailey,
London EC4M 7HS.

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Applications are invited for this appointment which will fall vacant at the end of this year.

The Finance Officer will be responsible to the House Governor for the accounting and company secretarial functions and controlling 15 staff. The main responsibilities will be to manage the cash flow and provide effective financial controls and participate in the general administration of the Clinic.

A recognised qualification is required and the successful candidate will probably be in the 35-45 age group although an older applicant will be considered and will currently be earning in the region of £6,500.

Applications in writing, giving details of qualifications and experience, should be sent to the House Governor, London Clinic, 20 Devonshire Place, London W1N 2DH.

IMPORT/EXPORT MANAGER PARIS

A major international industrial group requires an Import/Export manager for its Paris office. You should have a minimum of ten years experience in import/export management covering a wide range of goods.

Fluency in French and English is essential, as well as detailed knowledge of French industry and commerce. Preference will be given to a Frenchman with working experience in the UK.

Salary and terms and conditions of employment will be negotiable. Please write with details of qualifications, experience and current salary quoting Ref. 177, to:

Mr. A. Cook, Grafton House,
P.O. Box 214, London NW3 7DG.

Trust Houses Forte Limited

Taxation Manager

London West End

This is an excellent opportunity for an ambitious and enthusiastic accountant with a thorough knowledge of UK tax legislation and some previous experience of overseas tax regulations to develop a career as a Taxation Manager with a worldwide Company.

He or she will report to the Group Treasurer and will be responsible principally for the review and control of the Group's UK tax affairs, including planning and advice on future developments.

Suitable candidates are likely to be qualified accountants, aged between 25-35, with at least two years sound practical experience of tax matters in either industry or in the profession.

This is a responsible position based at the Head Office in Jermyn Street: career prospects are correspondingly high. Additionally, a substantial salary will be offered together with the benefits associated with an international Company. Please write enclosing details of career and salary history to date to: Peter Chart, Deputy Head of Group Personnel, Trust Houses Forte Limited, 1 Jermyn Street, London, SW1P 4UH—or telephone 01-930 2373.



Hotels

REGIONAL ACCOUNTANT

We are an International Service Organisation seeking a Regional Accountant based in London for our U.K. operations initially, extending eventually to cover other European operations. This is a key senior position reporting to the Regional Controller for Europe.

The successful candidate will meet most of these criteria:

- (1) Be a qualified accountant.
- (2) Be within the likely age parameters of 28-30.
- (3) Have commercial experience in a hardworking environment.
- (4) Have substantial experience in all aspects of dealing with staff.
- (5) Proven experience of the production of comprehensive management and corporate accounts to a tight schedule.
- (6) Ability to relate to and understand the requirements of a performance-orientated line operation.
- (7) Have an energy level and ambition to succeed with responsibility.

A remuneration package in the order of £9,000 p.a. is envisaged which, besides normal fringe benefits, could include a company car. The job offers the opportunity for real commercial experience in a lively results-orientated environment. Prospects in the medium term include: growth in the advertised job through our rapid expansion; a move into a financial planning/advisory role; or a move into controllership.

Interested applicants should telephone Mrs. D. Knight on 01-437 6900 to obtain an application form.

ECONOMIST For Stockbrokers

L. Messel & Co., stockbrokers, wish to recruit a young economist. He or she will join a team which currently provides monetary analysis for the gilt-edged department and is expanding to cover background macro-economic research for equities. The work is interesting, and requires intellectual creativity and flexibility. The successful candidate should be able to prepare written material to send to clients soon after joining the firm.

The position will be filled by a graduate with up to three years' experience of economic research in a commercial environment, but an economist with a post-graduate qualification would find it rewarding. Mathematical skills and a specialisation in monetary economics would be valuable qualifications.

Applications, which will be treated in confidence, should be sent to:

Tim Congdon
L. MESSEL & CO.
Winchester House, 100 Old Broad Street
London EC2P 2FX

Chief Accountant

London c.£12,000 + car

A UK manufacturing company, part of a large US international corporation, seeks a Chief Accountant for their Head Office in London. This is a new appointment to strengthen the financial management and allow for possible future growth of the company which is a leader in its field.

He or she will report to the Director of Finance, will be responsible for variance analysis, financial planning and forecasting, systems improvement, enforcement of strict corporate financial procedures and special assignments.

Only qualified Chartered or Management Accountants who have managed an accounts department for at least three years will be considered. Age range is 30 to 40. Experience in manufacturing, engineering or construction companies is desirable. A period with a UK or US international company with good EDP systems and a reputation for tight financial disciplines would be an obvious advantage.

Salary around £12,000. A car is provided. The initial remuneration package includes removal expenses if appropriate. Promotion prospects depend upon clearly demonstrating ability within two years.

Candidates, male or female, should write in confidence for a personal history form quoting reference MCS 5012 to Roland Orr, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse Associates

SYNDICATED LOANS & EUROBONDS

International Banking Executive

Major Merchant Bank

City c. £10,000-£12,000

An outstanding career opening. Join a highly respected member of the Accepting Houses Committee. Be responsible for the management of international capital market operations. Play a key role in Business Development and Client Negotiations.

The Bank: A long established, highly respected City merchant bank with an untarnished and trusted reputation. Today they are enjoying a period of continuous growth and rapid development and have forged links with continental banks of stature to strengthen further their international operations.

Your Job: Take control of the day-to-day management of syndicated Eurocurrency loan business; negotiate terms with clients; prepare and formalise offers; write placing memoranda; underwrite and place loans of up to £50m; Manage Eurocurrency public issue/private placement business; display imaginative and original conceptual thinking in business development.

Our Specification: A knowledgeable, experienced, international banker with a professional qualification, who has a strong desire to broaden his horizons and eventually become a Director. Ideally you will have worked in an accepting or issuing house, merchant or multi-national bank for at least 3 years. You must be prepared to travel. Fluency in one or more foreign languages is desirable. It is vital that you are ambitious, able to work on your own initiative and have the proven ability to work with others. You must be capable of winning the Board's confidence to justify early promotion and increasing responsibility, incorporating a new business development role.

Remuneration: The bank pursues a generous policy. Emoluments include: subsidised mortgage + other traditional benefits + 4 weeks holiday.

ACT NOW! To learn more, and to arrange for an immediate interview, telephone the Bank's advisers: Michael A. Silverman or David Burns on 01-388 2001 or 01-388 2005. Offer Anonymous. Complete confidentiality is assured. Ref. 332

The appointment is open to both male and female applicants.

MERTON ASSOCIATES (CONSULTANTS) LIMITED, Merton House, 70 Grafton Way, London W1P 5LN. Executive Search and Management Consultants

Marketing Executive

Shipping Finance

Our client, a major international bank with assets currently in excess of £15 billion, is looking for an experienced man or woman to join its European Shipping Group based in London. Responsibilities will include marketing, credit analysis and loan packaging, with a heavy emphasis on in-depth market study and prospect targeting. The executive appointed must be a self-starter, able to operate largely without direct supervision, familiar with the shipping industry and loan documentation.

A minimum of two years' ship financing experience with a strong cash flow orientation is essential for this post, in addition to a proven record in credit review, analytical and marketing activities. This should be backed by a relevant degree, MBA or financial qualification, while formal credit training within a major U.S. or U.K. bank would be particularly helpful.

Longer term career prospects are very good, extending to more senior positions outside the U.K., particularly Asia or U.S.A. or to other areas of the bank in due course.

An excellent salary will be supported by a wide range of benefits, including low cost mortgage assistance, non-contributory pension and life assurance, free lunches, BUPA and profit sharing.

If you believe you meet the requirements, please write with full details of your achievements to date, including salary progress, to Alastair Myers at the address below quoting reference: ME/282/FT. Please list separately any companies to which your application should not be forwarded. All replies will be acknowledged.

B&B CONFIDENTIAL REPLY SERVICE
Benton & Bowles Recruitment Limited,
197 Knightsbridge, London SW7.

Group Controller

Finance and Administration

DIRECTOR DESIGNATE

Hanger Investments is a successful, quoted company operating Ford Dealerships in the Midlands, and national vehicle leasing companies, with current sales of £50 million a year and ambitious growth plans.

The requirement is for a Chartered Accountant with exceptional, all-round experience and ability. This will have been gained from five years in a commercial environment, preferably a service industry, and a City background.

Ideal age, 35-45. Salary is negotiable, with attractive fringe benefits. It is unlikely that anyone earning less than £10,000 p.a. would have the appropriate level of experience for this challenging position.

Responsibility will be to the Joint Group Managing Director for the overall control of the Group's financial and administrative affairs in an environment where emphasis is on both entrepreneurial innovation and effective management control.

This important appointment occurs because of internal promotion and reorganisation.

Applications, including full details of career to date, in strict confidence to:

The Chairman,
Hanger Investments Ltd.,
Dilworth House, 190 Broad Street,
Birmingham, B15 1EA

CREDIT ANALYST

INTERNATIONAL MERCHANT BANK

c. £5,500

This is an excellent opportunity to advance a career in international lending with one of the City's most firmly established Consortium banks.

The immediate task is to prepare recommendations in respect of both new and existing credit arrangements, based upon an interpretation of companies' financial statements and a consideration of the security aspects.

The Bank therefore now seeks a young person, preferably A.F.B., with a good banking background incorporating advances and with the potential to capitalise on his/her experience and on the excellent prospects that the Bank offers.

To discuss this opportunity, please telephone John Chiverton, A.I.B.

JOHN CHIVERTON ASSOCIATES LTD.

31, SOUTHAMPTON ROW,
LONDON, W.C.1.
01-242-5841

Gilts

Sales Executive

Remuneration package

£15-£20,000 p.a.

A major, highly respected and progressive firm of Stockbrokers is further developing its successful Gilts Department. They now wish to recruit a Senior Sales Executive who will play an important role in this next stage of expansion.

The requirement is for an experienced Gilts executive with a professional approach, supported by a successful sales record to institutional customers.

The Gilts Department is not heavily structured, encouraging personal scope, freedom of operation and advancement according to success; responsibility is directly to the Partner in charge. There are excellent computer back-up facilities.

Salary and benefits, which are flexible and will be negotiable to suit the person appointed, will reflect the importance of the position and the total remuneration package will range between £15,000 to £20,000 per annum.

Please write in the first instance, with brief but concise details of career to date, indicating any firms in which you are not interested, to:
Mark Southwood,

Southwood Geraghty Associates
41-49 Tottenham Street, London N1 1HL

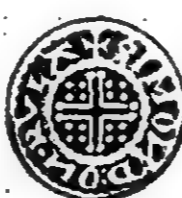
£5,850-£7,000
per annum

Are you in your late twenties in the finance world, with an outgoing personality, fond of the outdoor life, and ready to get out in the world?

If so and you would like to live in Cheshire, Gwent or the West Country; have a company car, Cortina upwards; assisted house mortgage and 4 weeks holiday per annum.

Write in complete confidence and with curriculum vitae to:-

D.B. Williams,
Assistant General Manager,
Business Development,
Commercial Bank of Wales Limited,
114-116 St. Mary Street, Cardiff CF1 1XJ



Commercial Bank of Wales Limited
BANC MASACHOL CYMRU

Texas Commerce Bank

Texas Commerce Bank is seeking two candidates of exceptional capabilities to join their rapidly expanding Middle East Section.

One candidate will be based in the representative office in Bahrain and be responsible for business development in a specified group of countries in the Middle East. Heavy travelling is required and the candidate should have a minimum of 2 years' calling experience in the area. Ability to speak Arabic and/or French would be a definite advantage.

The second position is based in Texas Commerce Bank's head office in Houston. The candidate will likely have a strong credit background as well as business development experience. Responsibilities will include preparation of credit presentations and account management for Middle East clients operating in Houston, and Southwest U.S. clients operating in the Middle East. Limited travel required. Fluency in Arabic and/or French an advantage.

Excellent salary and benefits commensurate with experience. Please submit resume with salary history in confidence to:

Personnel Director
Texas Commerce Bank NA
44 Moorgate
London, EC2R 6AY
An Affirmative Action Employer M/F/H

GROUP CHIEF ACCOUNTANT

c.£10,000 + Car Lloyd's Brokers

A dynamic, private company wishes to recruit a qualified accountant for a newly-created post of Group Chief Accountant. He or she will report to the Chairman and will take charge of a small accounts department. The company is highly profitable and is controlled by an experienced and successful management team. As part of this team the Chief Accountant will contribute significantly to its continued growth.

Candidates must have a good knowledge of Lloyd's accounting procedures. For a person with ability and initiative there are excellent career prospects.

Please apply:
Sir Timothy Moore
Chichester House
Chichester Road
London WC2A 1EG
01-242 5775

Career plan

University of Bradford

LECTURESHIP IN FINANCIAL MANAGEMENT
Applications are invited for the above post within the Finance Group. The duties involve teaching on the postgraduate MBA programme and on the undergraduate honours programme. A particular interest in Financial Institutions in the teaching of multinational companies would be useful. Salary will be £12,500 to £15,000 p.a. (under review). Further particulars/applications form (to be returned by 15 October) obtainable from the Registrar, Post Ref. MA/7-5/77, University of Bradford, W. Yorkshire, BD7 1DP. Informal enquiries to Prof. T. W. Keefe, Bradford, 0274 4229.

Financial Controller

City c.£15,000

Our Client is a distinguished and expanding International Merchant Bank with substantial development plans for the future.

A Financial Controller is now required whose principal responsibility will be for the control of financial and management reporting, operations and computer areas of the bank, together with some involvement in its overseas subsidiaries.

Candidates will be Chartered Accountants in their mid 30's with good banking experience. They should possess a sound knowledge of management reporting systems with special emphasis on foreign exchange, and some experience of computers would be most advantageous. Additionally, maturity and a strong sense of responsibility are regarded as essential personal attributes.

This is a challenging and progressive career opportunity with a highly regarded and developing City institution.

Contact Norman Philpot in confidence
on 01-248 3812

NPA Recruitment Services Ltd
NPA House, 1 London EC2 2LP Telephone 01-248 3812/3/4/5

Assistant Secretary-

at group headquarters

£7,500 plus car

United Gas Industries - turnover about £46m. - is a successful public company with extensive light engineering interests in the UK and overseas.

The appointed candidate will report to the Secretary and provide authoritative service across a wide range of company secretarial responsibilities. Additional accountabilities will include insurance, and, contracts and litigation.

Candidates must be Chartered Secretaries, preferably in their 30's, and have substantial relevant experience in a group environment.

Employment benefits, which include a good pension scheme, are of a high standard. Location is in Central London.

Please send concise career details, quoting ref. B.18025, to John M. Hodgson, MSL Chartered Secretary, Management Selection Limited, 17 Stratton Street, London W1X 6DB.

This appointment is open to men and women.

MSL SPECIALIST RECRUITMENT
CHARTERED SECRETARY

Finance Director-designate

c.£12,000 + car

The company accounts for one-third of the total world output of its product. It provides a significant proportion of its own raw material which, when processed, is exported to 100 countries. Its export achievements have been recognised by being granted the Queen's Award for Industry on three occasions.

Next year the Finance Director, who is approaching retirement age, will begin to reduce his commitments. To ensure management succession the company wishes now to recruit a Finance Director designate a Chartered Accountant with sound technical knowledge of financial accounting, management experience in a strongly marketing orientated company and a desire to broaden his - or her - commercial expertise. Responsibility will initially be to the Finance Director for all aspects of financial and management accounting with particular emphasis on cash flow and profit planning.

Preferred age about 35. Salary will be for negotiation around £12,000 and will increase significantly on appointment to the board. Car provided. Location Central London.

Please write in confidence for a job description and application form to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge St., London SE1 9SY, quoting MCS 3717.

Price Waterhouse Associates

Jonathan Wren - Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

MANAGER **STERLING MONEY MARKET** c. £9,000-£10,000

We are seeking an experienced Money Market executive to head the Sterling Dealing Department of a well-known City merchant bank.

Our client is a well-established concern which has for many years maintained a high reputation for its activities in all aspects of money trading. These activities include interbank loans, C.D.s, Treasury/Trade Bills, and Local Authority bonds.

Candidates, ideally aged 29-37, should offer sound experience in all the above fields and must additionally have the personality to manage an active department. The position reports direct to the Board, and offers excellent career prospects; given successful performance, the appointee can expect promotion and substantial salary enhancement within the short to medium term.

OPERATIONS MANAGER £5 figures

Our client is an international bank with an expanding London operation. Suitable candidates will have a thorough City banking background and already be holding the position of Operations Manager. Personal attributes should include the ability to motivate people at all levels and a creative and imaginative approach to new ideas. A high degree of self motivation is essential. The salary package will be very good, sufficient to attract candidates of a very high standard.

To discuss either of these appointments in strict confidence, please telephone:

KEN ANDERSON (Director) or RICHARD MEREDITH

170 Bishopsgate London EC2M 4LN 01-623 1266/7/8/9

Loan Officers

Expanding Consortium Bank

City

c£9,000

Our Client is a highly respected international merchant bank whose overseas activities include a developing presence in the Middle and Far East.

Two attractive openings have been created in London, each of which calls for a banker with a sound lending background to liaise between Head Office and the area branch. Responsibility primarily will be to advise each party on local conditions and to monitor business developed by the bank in these regions.

Candidates for both positions, probably in their late 20's/early 30's with a degree or professional qualification, will possess a good knowledge of lending including analysis and administration. In addition, one position will require fluency in Arabic, the other some first-hand experience of the Far East.

Prospects for career development are excellent in a bank well-known for its progressive outlook.

Contact A.J. Tucker, MA., A.I.B., in confidence
on 01-248 3812

NPA Recruitment Services Ltd

100 Chancery Lane, London EC2A 4JX Telephone 01-248 3812 3, 4, 5

Banking

CREDIT/RISK ANALYSIS

Due to its expanding business, INTERNATIONAL ENERGY BANK LIMITED wishes to appoint additional analysts.

The analysts will be expected to acquire and maintain an in-depth knowledge of developments (both economic and technical) within specified sectors of the energy industries. A significant level of contact with energy companies is envisaged and, accordingly, those appointed must be capable of representing the Bank and of identifying business opportunities.

The Bank is an active lender of Eurocurrencies and a knowledge of this market is desired. Candidates must also demonstrate the experience to undertake analysis of the Bank's existing and future lending relationships. Formal analysis training would be an advantage.

Interested candidates should write in confidence to David Patten, International Energy Bank Limited, Winchester House, 100 Old Broad Street, London, EC2M 1BE, giving full details of experience, current salary and salary requirement.

Chief Accountant

c£9,500 p.a.

City

Our clients, an established and expanding firm of insurance brokers, wish to appoint a Chief Accountant to take charge of their financial affairs and strengthen the senior management team.

Reporting to the Managing Director, responsibility will be assumed for the co-ordination and control of mechanised financial reporting and underwriters accounts, foreign exchange transactions, credit control and, in conjunction with the Company Secretary, advising the Board on financial matters.

Applicants should be qualified Accountants, aged between 28 and 33, with a strong background in financial accounting and control. Previous experience of the insurance industry would be an advantage. Personality and presentation are important as the successful candidate will be expected to contribute to the firm's development.

This position, which provides an excellent career opportunity, includes a range of benefits including BUPA care and contributory pension.

Applications, from men and women, should give concise details of experience and present salary to M. Campbell.



**Mann Judd
Consultants**
55 New Oxford Street,
London WC1A 1BX

INTERNAL AUDITOR

An International Bank requires a mature banker who has a comprehensive knowledge of all aspects of banking and at least three years' experience of internal auditing. Overseas service with an international bank would be an asset. Age: over 40. Salary: up to £9,500 plus London Allowance.

Also international auditor required, aged around 25 with A.I.B. or university degree and four or five years' banking experience. Must be willing to undertake a great deal of overseas travel.

Confirming Executive

Required by medium-sized city financial institution. The successful candidate will be fully conversant with documentary credits, bills for collection, ECGD, and will possibly have worked in an export finance house. Knowledge of Nigerian markets would be an asset.

Age: 23-35 Salary: around £85.00

Foreign Exchange

Two openings have occurred with well known International banks for young people with experience of foreign exchange instructions, settlements, reconciliations or positions. The ideal applicants will be aged 22-28. Salary up to £4,500.

These positions are open to male or female applicants

BSB Banking Appointments

115-117 Cannon Street, London EC4N 5AX
Telephone 01-623 7317 & 01-623 9161

Recruitment Consultants

Credit Analyst

Commercial Credit is the U.K. Division of one of the world's leading financial service groups, and as such offers a wide range of financial services both to the consumer and industry. At our Croydon Head Office a new vacancy has been created, in our credit administration team, for a Credit Analyst.

Your responsibilities will include the development and analysis of financial information and the formulation of recommendations for major proposals. The creation of this position reflects our need to provide a rapid approval process in order to continually improve the service to our clients.

Aged in your 20s, male or female, you will have around two years experience in credit analysis within a British based finance house or banking operation.

As a young and expanding company we can offer a highly competitive salary and excellent benefits, plus excellent career growth prospects.

Telephone Kim Palmer for an application form on 01-686 3466, or write to her at, Commercial Credit Services Holdings Limited, Grosvenor House, 125 High Street, Croydon, Surrey CR9 1PU.

**COMMERCIAL CREDIT SERVICES
HOLDINGS LIMITED**

Finance Director

(Public Co.)

Central London
Up to £12,500

The responsibility is for the accounting function of a nationally known retail group with a turnover in excess of £20 million.

The company maintains central accounting procedures and requires constructive financial information and guidance to line managers coupled with the timely preparation of management and financial accounts.

The job calls for a qualified accountant,

aged over 30, who can show experience of managing an accounts department and working with others to improve profitability.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Dr. I. Bowers, quoting Ref. 740/FT on both envelope and letter.

**Deloitte
Haskins + Sells**
Management Consultants

128 Queen Victoria Street, London EC4P 4JX

FINANCIAL CONTROLLER

Salary to £12,000 plus Car
with exceptional benefit package

For the U.K. subsidiary of a \$1.5 billion U.S. multinational electronics and computer company engaged in the marketing, service and distribution of industrial and consumer goods. There is an outstanding growth record and turnover of the U.K. operation now exceeds \$50 million.

The requirement is for a qualified accountant, over 30 years of age, with appropriate industrial or commercial experience.

Responsibility is to the Region Administration Manager for the operation and development of the financial and management accounting systems with particular emphasis on controlling service costs through a complex branch office network.

This is an outstanding opportunity to make a positive contribution to the young management team of this rapidly expanding company in the forefront of a high technology industry.

Please contact the Personnel Department on Wokingham 784774 or write for an application form and job description.

Hewlett-Packard Limited,
King Street Lane,
Winnesh,
Wokingham,
Berkshire.

HEWLETT PACKARD

GROUP FINANCE MANAGER

Chloride Group Limited is the world's largest producer of rechargeable batteries, with operations in over 30 countries, annual sales in excess of £300 million and pre-tax profits of more than £25 million.

Applications are invited for the position of Group Finance Manager at the corporate headquarters in Victoria, SW1.

The man or woman appointed will report to the Executive Vice Chairman and be responsible for the Group Finance function, including Financial and Management Accounting, Treasury, Tax, Insurance & Risk Management, and Head Office Data Processing. The job holder will be involved in all aspects of financial planning and policy in a growth group.

The successful candidate will be a qualified accountant who will probably be aged about 40-45 and hold a senior finance appointment in a major international industrial group. Experience both at headquarters and in operating companies is desirable.

This is a career opportunity which offers considerable future potential, and could lead to an appointment to the Main Board of Chloride Group Limited in about three years' time.

Please write with details of career and salary to date to:

Miss D.M. Whittingham
Executive Resources Adviser
Chloride Group Limited
52 Grosvenor Gardens
London SW1W 0AU.

CHLORIDE

Thames Valley



c£14,000

EUROPEAN AUDIT MANAGER

Digital Equipment, a U.S. corporation, is an industry leader in the mini-computer and distributed data processing fields. In Europe the corporation presently has 40 sales and service offices and 3 manufacturing facilities.

As a result of internal promotion there is a requirement for a European Audit Manager, to be based at Reading. The man or woman appointed will plan and supervise the work of a small, well qualified team who are engaged in operational and financial auditing in 15 countries. In the early months considerable travel will be involved, both in the U.K. and abroad.

Candidates must be qualified accountants with experience at manager level in a major international firm of accountants or with a large industrial company. A working knowledge of French and/or German would be helpful, as would some experience of U.S. accounting practice. The position offers good opportunities to move into senior financial management posts in Europe or the U.S.A.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to E. H. Simpson, Executive Selection Division, ref. S755, at the address below. Please include a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES LTD.

Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

JAMES CAPEL & CO.

PRIVATE CLIENTS DEPARTMENT

We are seeking an additional Account Executive to join our UK non-discretionary private clients team.

The selected candidate will be given a considerable degree of autonomy after an initial settling-in period. High-quality investment research and computer back-up are provided.

Applicants must have passed, or be exempt from, The Stock Exchange examinations, have at least five years' relevant experience and preferably have a degree or other professional qualification.

Remuneration will be commensurate with experience, initiative and ability.

Please reply in writing to:—

D. Schulten
JAMES CAPEL & CO.
Winchester House
100 Old Broad Street
London EC2N 1BQ

ASSISTANT FUNDMANAGER

John Govett & Co. Ltd.

Managers of investment trusts and other funds exceeding £400m. wish to recruit an assistant fund manager to assist a Director in portfolio management, and, in addition, collaborate in the analysis of company reports and the preparation of industry reviews.

The funds have a large overseas content and there will be opportunity to travel, a good salary will be within reach.

The successful applicant is likely to:—
—have investment experience.
—possess a good degree or professional qualification.
—be 25 plus years old.

Those interested should apply, giving full details of education and career to:

M.R. Cornwall-Jones, John Govett & Co. Ltd.
Winchester House, 77 London Wall, London EC2N 1DH

FINANCE DIRECTOR

London £12,000 +

Our clients, an Arab-owned conglomerate (100 £30m+), are seeking a Finance Director who will establish and administer the group financial management and reporting system.

Our clients require a Chartered Accountant, aged 35/40, who can make an active contribution to general management. Ideally the applicant will have experience in group management, systems and appraisal, tax, and financial planning.

A business degree and overseas experience would be an advantage. In addition to the initial salary a car and other usual big company benefits would be provided. The salary could be substantially more for the right applicant.

Your application, which will be treated in strictest confidence, should be addressed to:

Mrs. L. Ridgway,
STAIR & CO.,
Chartered Accountants
62 Brompton Road,
London SW3.

EDITORIAL ASSISTANT

required by

LEADING MONTHLY ECONOMIC JOURNAL

Ability to write clearly and handle figures. Only those with a good second-class honours degree, or better, need apply.

Write with full particulars to
Box A.6488, Financial Times,
10, Cannon Street, EC4P 4BY.

PHILLIPS & DREW

Investment Trust Specialist

We are looking for an investment trust specialist to service a number of our leading institutional clients.

A minimum of two years' experience in investment trust work is required.

Salary, bonus and profit-sharing will depend on experience. Apply either by writing or by telephone to:

Martin Gibbs,
PHILLIPS & DREW,
Lee House, London Wall, London EC2
01-628 4444

CHEMICALBANK INTERNATIONAL LIMITED

Merchant Banking Professionals New York Hong Kong

The Merchant Banking Group of Chemical Bank is expanding its business, particularly in international syndicated loans and capital market activities.

At senior level we seek:

Experienced banking and finance executives, particularly those who would be capable of and who would accept, relocation overseas to other units of the group.

Specifically for location in New York, fluency in Spanish and/or Portuguese is required as is either U.S. Citizenship or resident status. Previous business experience with Latin American countries will be an added advantage.

Also, to be based in London, Export Finance support staff familiar with ECGD documentation.

In each area the exact responsibilities and remuneration package are negotiable and will attract those already well established in these fields.

Detailed applications may be sent in confidence to: David E. Nye, Assistant Director and Secretary, Chemical Bank International Limited, 1 Union Court, Old Broad Street, London EC2N 1EA

CHEMICALBANK INTERNATIONAL LIMITED

Taxation Accountant

LONDON
FROM £7,000 + CAR PLAN

BL, the holding company for six companies primarily engaged in the automotive and related engineering industries, is seeking a qualified accountant to join one of the top taxation teams in British industry.

The job supports the Adviser responsible for our U.K. and overseas Cars operations. The main tasks include the preparation of tax computations, year end tax provisions and regular visits to our plants where we expect the successful applicant to quickly establish a professional working relationship with plant Finance Directors/Controllers.

Applicants, male or female, should be qualified accountants who have specialized in taxation for approximately two years. The salary will be negotiable, c£7,000 plus an attractive benefits package including five weeks annual holiday, participation in the Management Car Scheme and relocation expenses, where appropriate.

Applications providing full career details should be forwarded to: M. A. Stamp, Corporate Staffs Personnel Administration, 174 Marylebone Road, London NW1 5AA.

 **BL Limited**

Banking

Senior Loans Officer c£15,000
Leading international bank seeks a lending banker with substantial marketing experience, supplemented by a degree and strong personal qualities. REF: MCP

Chief Dealer (Hong Kong) \$ Neg
An expanding U.S. bank seeks a senior F/X dealer, late 20's/early 30's, with 5 years' dealing experience, to control and develop the dealing activities of its Hong Kong branch. REF: MCP

Accountant c£8,500
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WE ARE A MAJOR GERMAN BANK. DUE TO OUR RAPIDLY EXPANDING INTERNATIONAL ACTIVITIES WE ARE SEEKING FOR OUR CORPORATE HEADQUARTERS LOCATED IN FRANKFURT-MAIN A

REGIONAL MANAGER

who will be responsible for a number of industrialised countries in the Western Hemisphere.

His primary objective will be the management and development of our correspondent banking and corporate account relationships. This will include:

- ★ Establishing business objectives
- ★ Defining and implementing marketing and general banking strategies
- ★ Maintaining and enlarging our banking activities in his geographical area

The ideal candidate will have several years of business experience in International Banking and be capable of assuming further responsibilities. He should be between 30 and 40 years old, a university graduate or equivalent, fluent in German and English and preferably, but not necessarily, French.

Please forward your detailed résumé in English, including telephone number, to:

C.K.M. WERBUNG
6236 ESCHBORN 2
KOENIGSBERGER STRASSE 25
WEST GERMANY

Overseas Fund Manager/Analyst

Merchant Bank London 25/35

Our client is one of the leading forces in the investment scene. City-based, their wide portfolio is made up of pension funds, unit trusts, general funds etc and includes about £100m invested in overseas stocks.

They seek an additional Fund Manager/Analyst to help run this side of their business. The job will appeal to a man or woman aged 25/35 with a good grounding in finance and some 2-5 years experience of overseas investment. Preference will be given to those with Wall Street and Tokyo experience. Prospects are excellent.

The salary is negotiable and is in addition to normal banking benefits.

Please write with brief details to Colin Barry, Overton Shirley and Barry (Management Consultants), 17 Holywell Row, London EC2A 4JB. Tel: 01-247 8274.

Overton Shirley and Barry 

Young Chartered Accountant

New York c£24,000

Our client is a British oil company with a turnover in excess of £450m, which owns exploration, production, refining, shipping and marketing subsidiary companies in various parts of the world. Its activities comprise an integrated international oil business, the co-ordination of which is controlled from offices in a pleasant location just outside New York City.

An outstanding opportunity has now arisen for a young Chartered Accountant to join the Controller's small team where the initial involvement will be primarily in financial accounting and project work. Candidates aged between 24 and 30 must have a flexible attitude and the ability to communicate effectively at all levels.

Excellent first hand experience of British, US and Canadian accounting principles can be acquired. Good prospects for future development within this international group will result in a rewarding career for the successful applicant. Relocation expenses will be paid in full and first class fringe benefits usually associated with a major company are provided.

Please reply in confidence giving concise personal and career details, quoting Ref. T887/FT to D. E. Sheppard:

AMS

Arthur Young Management Services
Rolls House, 7, Rolls Buildings
Fetter Lane, London EC4A 3NL

Company Accountant

Stevenage
£8,000-£9,500 p.a.+car

Ward Hill is a well established firm of Turf Accountants based in Stevenage with a developing business in the Home Counties. Due to recent growth, the company wishes to appoint a Company Accountant to assume responsibility for all financial aspects of the business. This position offers an excellent opportunity for someone seeking responsibility and an opportunity to contribute in a positive way to the continued prosperity of the organisation.

Candidates preferably qualified, should be in their 30's or 40's with a minimum of 3 years experience in industry. An initial salary is negotiable in the range £8,000-9,500. In addition, the position offers a car plus other substantial benefits.

Please write in confidence with adequate career details to Diana Ashman, Personnel Services Division of:-



Spicer and Pegler Management Consultants
3 Bevis Marks
London EC3A 7HL

Financial Accountant

circa £8,000+car

Tricentral wish to recruit a Financial Accountant for their recently formed UK commercial trading subsidiary, Tricentral Industrial Corporation Limited. The appointment will be located at the company's City head office and arises because of increased demands being placed on the existing accounting staff. The subsidiary has a turnover in excess of £20m pa.

The Financial Accountant will report to the Financial Controller and will be mainly concerned with the preparation and review of monthly management information, the year end consolidation of subsidiary company accounts and the consolidation of the annual budget figures.

Successful candidates will be qualified accountants, capable of acting on their own initiative and will probably be in their late twenties. The appointee will offer sound post qualifying accounting experience and preferably exposure to the use of EDP.

The position provides an opportunity for career development in a challenging and exciting environment. The commencing salary will be negotiated at circa £8,000 pa. A company car and non-contributory pension and medical schemes are provided. A generous contribution would be made towards removal expenses if the successful candidate had to move home to take up this appointment.

Candidates, male or female, can make application by quoting reference MCK/289 and requesting a personal history form from Ashley S Phoenix, Executive Selection Division, Spoutwork Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse
Associates

Young Career Banker?

Property & Construction Finance

Our client is a major bank group with a significant involvement in property lending. The group intends to increase its property and construction finance business and wishes to recruit a young professional to take responsibility for developing this activity in the UK. The man or woman appointed will join a small team and will have considerable autonomy in meeting targets.

Candidates, preferably in their late 20's or early 30's, must have relevant banking experience and should be professionally qualified as a surveyor, accountant or solicitor. The ability to take responsibility and to contribute to an important part of the Bank's business is essential.

An exceptional candidate could be offered a five-figure salary.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ref. B.1036.

ASL CONFIDENTIAL RECRUITMENT 17 STRATTON STREET LONDON W1X 8DB
A member of MSL Group International

ACCOUNTS DEPARTMENT MANAGER

Age 27-34 c£8,000

A mature, experienced person is required for this rapidly expanding, prestige Bank, to be responsible to the Chief Accountant. Close working knowledge of Computerised Accounts, M.I.S., Reconciliations, Cash Operations, Expenses and Accruals, F/X Settlements, and Bank of England Returns is essential.

We also wish to speak to a person with extensive exposure to Commodity Lending. In the first instance, please telephone in confidence, Brian Durham

LOANS ADMIN. ASSISTANT

Age 25-35 c£7,500

Major International Bank seeks ambitious, resilient Banker with an in-depth knowledge of Loans Administration, to assist Head of expanding Loans Department. A good grasp of conversational German is essential.

Please telephone Mark Stevens

CREDIT ANALYST

Age c30 c£7,500

Leading European Bank requires senior Analyst with comprehensive experience in multi-currency Corporate Lending environment, to join an expanding team in a responsible capacity.

Please telephone Neil Keane

If you are seeking to further your career in Banking, our Consultants would be only too pleased to discuss your requirements.

BANKING PERSONNEL 41/42 London Wall London EC2 Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

LOAN ADMINISTRATION

As a result of continuing expansion, we are looking for fully experienced personnel, probably in their mid 20's, to join a technically demanding department in a most important area of the Bank's operations. Your knowledge should have been gained in an international banking environment. This Department also assumes responsibility for the administration of guarantees and the Bank's leasing operations. Previous knowledge of these two activities, while useful, is not essential.

A very attractive salary will be negotiated and there are excellent fringe benefits including free lunches. Please contact Chris Taylor, Personnel Officer, Saudi International Bank, 99 Bishopsgate, London EC2M 3TB. 01-638 2323.

البنك السعودي العالمي المحدود
Saudi International Bank
AL-BANK AL-SAUDI AL-ALAMI LIMITED

ACCOUNTANT

Required for recently opened International Bank, with at least 7 years experience in the banking field. Salary is negotiable. Age range 25-30. Usual fringe benefits will apply.

Kindly contact

Mr. Christie 01-628 0365

SAUDI ARABIA

to \$25,000 net

ADMINISTRATION MANAGER
Energetic young man (25-35) required by S. owned Caterpillar company, part of larger group. Previous administration experience useful especially in computerisation handling.

GEORGE CALLABY ASSOCIATES
WORKING (04842) 69919/71679 or 01-494 5811

NEAR MALAGA SPAIN - ACCOUNTANT

Large scale development requires Accountant. Fluency in Spanish is essential. Accommodation available on the estate. Salary would be negotiable. Reply in confidence giving details of qualifications and availability to be interviewed in London. Write Box T.495b, Financial Times, 10, Cannon Street, EC4P 4BT.

APPOINTMENTS WANTED

MERCHANT BANKING

Chartered Accountant, Honours graduate, aged 26, seeks challenging corporate finance position. Write Box A.4491, Financial Times, 10, Cannon Street, EC4P 4BT.

ATHENS BORN ENGLISH

Professionally qualified Lawyer/Industrial Engineer, age 32 with right to permanent domicile in UK. 3 years industrial finance experience here and 1 year with French international bank credit analysis/commerce, seeks post. Ambitious and opportunity more important than initial salary. Write Box A.4492, Financial Times, 10, Cannon Street, EC4P 4BT.

SENIOR EXECUTIVE

International division major clearing bank, recently retired, seeks appointment as E.C. adviser or in other capacity on full or part-time basis. Write Box A.4494, Financial Times, 10, Cannon Street, EC4P 4BT.

THE FIRST NATIONAL BANK OF BOSTON

Wir sind die deutsche Niederlassung einer grossen, international taeitigen amerikanischen Bank. Zur Ausweitung unseres Devisenhandels suchen wir einen jungen dynamischen

DEISENHAENDLER.

Geeignete Bewerber sollten mindestens 2 Jahre Erfahrung im aktiven Handel haben und ueber gute Kenntnisse der englischen Sprache verfuegen.

Bitte senden Sie ihre Bewerbung mit aussagefaehigen Unterlagen an:

Mr. Garwood L. Platt, The First National Bank of Boston, Zweigniederlassung Frankfurt, Mainzer Landstrasse 43-45, 6000 Frankfurt am Main 1.

oder informieren Sie sich zu-naechst telefonisch unter der Rufnummer 0611-2603211/212 (Mr. Platt).

MURRAY JOHNSTONE LIMITED

Investment Managers of International Funds in excess of £400 million. We are looking for people to join our management team, preferably with some legal, accountancy or investment experience, in the 24-28 age range.

Apply in confidence in writing or by telephone to:
Robert Stephens

MURRAY JOHNSTONE LIMITED
163 Hope Street, Glasgow G2 2UH
Tel: 041-221 5521

Sheffield Group of Steel Manufacturers and Engineers FINANCIAL DIRECTOR

A progressive and expanding company with sales in excess of £20m.

Applications are invited from suitably qualified executives. Preferred age 35/45. The applicant will have substantial production and financial management experience gained preferably in an engineering environment. A mature and lively approach with an ability to motivate people is essential.

The successful applicant will assume responsibility at Board level for all the group's financial functions. Salary, which is negotiable, will be commensurate with experience and qualifications—company car and house allowance. Brief but comprehensive details of career and salary to date, which will be treated in the strictest confidence to:

PARNELL, FITZPATRICK & CO.
Ref. FD 973 Chartered Accountants
Knowle House, 4 Norfolk Park Road,
Sheffield S2 3JH

UNIVERSITY OF STERLING SECOND CHAIR IN ACCOUNTANCY

Applications are sought from suitably qualified candidates for a second Chair in Accounting in the Department of Accounting and Business Law (present Head of Department, Professor J. M. S. Kirk). It is expected that the person appointed will have a special interest in one or more of the following fields: financial accounting including corporate accounting; auditing; taxation; finance and investment; management accounting including financial management; corporate planning; international accounting; public sector accounting. It is hoped that the successful applicant will be in post on or before 1 September 1979 at the latest. Further particulars are available from the University Secretary (FT), University of Sterling, Stirling FK9 4LA, Scotland, to whom applications should be sent before 31 October 1978.

LONDON MARKET INSURANCE COY. ACCOUNTANT/ADMINISTRATOR

AGE 30+ SALARY UP TO £12,000 p.a.

First class career opening at the top of a new branch of a large and highly regarded European Insurance Company in London. The successful applicant will probably be qualified and aged 30 to 40. He/she must have experience in all aspects of insurance financial and administrative control. D.O.T., returns, credit control, cash flow, setting up computer systems with outside bureau. Tel. Immediately—Tim Weeks or Andrew Moore A.C.F.I. Moore and Weeks Ltd., Personnel Recruitment, Corn Exchange Building, 52-57 Mark Lane, EC3R 7QD. Tel. 01-481 1566

ALANGATE BANK APPOINTMENTS

F.X. DEALER—Age 28/30. U.S. Bank Experienced in Canadian & U.S. Dollars. c. \$8,000.
F.X. SETTLEMENTS & INSTRUCTIONS—Age 21+—£3,500-£4,500.

DOC. CREDITS—Age 21/25. £3,800-£4,000.
ASST. TO CHIEF ACCOUNTANT—Age 23/28. £4,000-£4,500.
BANK ACCOUNTANT/OFFICE ADMIN—Age 35/40. £5,000-£7,000.

STERLING ACCOUNTS / RECONCILIATIONS / INTEREST ACCRUALS—Age 20+. £3,500-£4,500.
Ask Della Franklin—248 6071
Employment Agency

AUDITAX ACCOUNTANCY APPOINTMENTS URGENT VACANCIES

TAX PARTNER DESIGNATE from £12,000
TAX PARTNER DESIGNATE to £12,000
ASSISTANT CORP TAX MANAGER c £8,000
Contact Don Maggs
01-283 9863
3 Liverpool Street, London. EC2

UK EQUITIES

to £10,000 + Bonus
Partnership prospects for high calibre individual, 25-35, with a relevant background and sales ability to join expanding institutional Desk of well known medium-sized firm and promote the work of highly regarded Analysts. For a discussion about this or other positions in Stockbroking contact Fione Stephens in total confidence.

Stephens Selection
35 Dover Street, London W1X 3RA.
01-483 0817
Recruitment Consultants

Editorial Assistant/Typist

£4,400/£4,500 + PERKS
Required by financial periodical of leading professional Institute. Must have financial journalistic background in order to assist News Editor. Experience is more relevant than age. Projected age range c mid 20s. For an appointment, Ring 283 6622 for appointment. VPM Employment

INTERNATIONAL CORPORATION seeks investment manager to head management team for large currency portfolio. Managers name and background will be described in our prospectus. High remuneration. Reply confidentially to Box A.4495, Financial Times, 10, Cannon Street, EC4P 4BT.

LOANS ADMIN. ASSIST. c. £5,000 + perks, req'd. by leading international bank. Mid-20s with exp'd 3-4 yrs. exp. in syndicated loans. Ring for appointment. 283 6622. VPM Employment (Adv.)

STOCK EXCHANGE REPORT

Initial improvement short-lived as buyers hold off
Share index down 8.2 at 506.0 - Gilt-edged give further ground

Account Dealing Dates

Option

*First Dealing - Last Account

Dealing Date Dealing Day

15 Sep. 25 Sep. 29 Oct. 24

16 Oct. 13 Oct. 13 Oct. 24

16 Oct. 25 Oct. 27 Nov. 7

New time dealings may take place

from 10 a.m. two business days earlier.

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of the November and February

140 series rose 6 to 15p and 7 to

16p respectively.

Banks lower

The major clearing banks

succumbed to small selling in an

unwilling market and closed with

falls ranging to 10. Barclays, 330p,

and Midland, 340p, both declined

that amount, while NatWest re-

linquished 7 to 255p. Lloyds, how-

ever, held relatively steady in

endings only a penny off at 255p.

Bank of Scotland cheapened 5

to 265p. Prevailing dull conditions

in the gilt-edged market brought

fresh falls in Discounts, while

Ryder gave up 7 more to 285p.

while Alexander, 250p, and Ger-

rard and National, 174p, receded

6 apiece. Apart from a penny

improvement to 16p in

G. R. Davies, Merchant banks

moved lower with Hambro 4

cheaper at 193p and Wagon

Finance dipped 3 to 39p among

Hire Purchases.

Persistent small selling and lack

of support left insurers with

falls ranging to 10. Legal and

General finished 4 off at 154p on

mid disappointment with the

interim results, while Pearl eased

2 at 120p. Sedgwick Forbes were

notable among brokers for an

above-average decline of 23 at

435p. Royals gave up 7 to 355p

in Composites where GRE shed

6 to 230p and Commercial Union

4 to 43p.

Following recent strength

fuelled by Press comment on the

merits of the J. Lyons acquisition,

Allied Breweries turned reaction-

ary and closed 10 easier at 81p.

Lyons, at 149p, lost 3 of the

previous day's rise of 6, while

Belhaven Brewery, in which Lyons

hold a 17 per cent stake, slipped

4 to 43p.

In an active trade following

Tuesday's annual results, Press

comment on growth prospects

and suggestions of a rights issue

left Barratt Developments 5

cheaper at 119p. Other Building

descriptions drifted lower in thin

trading. Blue Circle shed 3 to

275p while, ahead of today's

interim report, RMC cheapened

2 at 142p. Taylor Woodrow

shed 6 more to 138p on the mid-term

profits recovery. Steady for most

of the session following Tues-

day's satisfactory interim profits,

Ratoc Johnson eased 4 to 153p

in the late dealings, while pro-

fit-taking after the recent specu-

lative advance left Brown and

Jackson 6 lower at 234p. Profits

slightly better than market

estimates helped Manders put on

3 to 101p.

ICI touched 300p in early deal-

ings, but a subsequent lack of

interest brought a close of 34p,

a net 2 down. Fisons shed 6

more to 351p for a drop of 34p

since Monday's interim statement.

Ahead of today's half-year report,

Anchord eased 3 to 72p. In a

restricted market, William

Morris advanced 10 to a high for

the year of 290p.

The volume of business in lead-

ing Stores left much to be

desired and the occasional selling

order prompted a dull trend.

Elsewhere, S. Casket gave up 4 to

70p as did Executex, to 56p.

Liberty picked up 5 to 193p.

Publicity given to the chair-

man's statement outlining the

problems facing the company's

scanners brought fresh selling

pressure to bear on EMI which

lost 9 for a two-day decline of

12 on some sizeable selling, the

preliminary figures are expected

on October 5. GEC turned easier

again and, at 322p, gave up 6

while the bid was conditional.

Newman Holdings touched 75p in

response to the announcement of

more-than-trebled interim profits

but then eased to 78p before

closing unchanged at 78p. Renewed

speculative interest lifted Oxfes

6 to 113p.

Campbell touched 137p on the

results and scrip issues, but ended

6 off on balance at 130p: the B

shares rose 1 to a 1978 high of

122p. Norton and Wright im-

proved 8 to 280p on the chairman's

remarks on current trading.

Motors and Distributors drifted

gently lower, averaging fresh

developments in the Ford labour

dispute. Lucas Industries featured

with a decline of 10 to 312p, while

profit taking clipped 5 from Dewy

at 270p. Bunsell eased 23m on

73p in front of today's interim

results, while further considera-

tion of the interim statement left

Hanger Investments a like amount

cheaper at 155p.

International provided the

only noteworthy movement in

Newspapers, falling 7 to 253p on

scattered offerings; the interim

figures are due next Wednesday.

Properties became dull on talk

of an early 1 per cent hike in

Minimum Lending Rate. Lack of

support rather than selling pres-

sure left Land Securities 7 down

at 230p and M&P 3 lower at 144p.

British Land, at 42p, gave back

nearly all of the previous day's

advance of 21. Warford Invest-

ments declined 8 to 332p. Against

the trend, City Offices hardened a

penny to 51p after 62p, while

in front of tomorrow's annual

results A. J. Mucklow firmed 2

to 130p.

Oils fall late

Steady to firm for most of the

session, City turned reactionary

in late dealings with Shell losing

4 to 568p, after 578p. British

Petroleum eased 6 to 884p. Lasmo

Issues moved ahead following

Press comment on North Sea

prospects, but the ordinary ended

a net 2 down at 154p, after 160p,

with the "Ops" ending 15 up at

373p, after 365p. After starting

the day on a firmer note at 358p,

Siebens fell away and finished 20

down at 334p. In 34p. Australian

Santos gained 10 to 184p and

Alliance Oil Developments 5 to

34p on news of a large oil find in

South Australia.

Sime Darby returned to favour

in Overseas Traders, rallying 7 to

112p on renewed demand ahead

of today's preliminary figures. Still

reflecting the National Sugar

Company's acquisition of the

company's sugar interests, Jamaica

Metal Box, 8 dearer at 358p, also

made a good showing but small

Glaxo better

Resisting the dull conditions

which encompassed other miscel-

laneous industrial leaders, Glaxo

moved forward 8 to 627p on a

small buying interest ahead of the

interim results due on October 9.

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moved forward 8 to 627p on a

small buying interest ahead of the

interim results due on October 9.

Metal Box, 8 dearer at 358p, also

made a good showing but small

Glaxo better

Resisting the dull conditions

which encompassed other miscel-

laneous industrial leaders, Glaxo

moved forward 8 to 627p on a

small buying interest ahead of the

interim results due on October 9.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table with multiple columns listing various unit trusts and their performance metrics. Includes sections for 'Unit Trusts', 'Options', and 'Share Index'.

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SECURITIES CO. LTD.
London Branch: Market Street, 22 Mining
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FINANCE, LAND—Continued[illegible]

3-Month Call Rates

9	Interosk	8	Wickers	15
11	KCA	3	Woolwarths	5
25	Ladbroke	17		

Waters	17	Clayton Smith	41	Cap. Counties	41
A.T.	24	"Lois"	5	E.P.	5
Fish Oxygen	6	London Brick	4	Intreuropean	4

Parlours.....	21	Stables.....	7	Samuel Props..	9
Benham's.....	8	Mrs. & Spencer	10	Town & City..	12
Stillers.....	15	Midland Bank	25		

Accident	17	P & O Ltd.	8	Burmah Oil	5
Electric	28	Plessey	8	Charterhall	3
Fire	43	R.H.M.	5	Shell	28

KN.	22	Tesco	4	Charter Comm.	12
Wicker Sidd ..	20	Thorn	22	Cont. Gold	14
House of Fraser	12	Trust Houses	15	Black & White	16

A selection of Options traded is given on the London Stock Exchange Report page.

